



Agenda Date: 6/29/23
Agenda Item: 8D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY)
PROGRAMS AND BUDGET FOR FISCAL YEAR 2024) ORDER
) DOCKET NO. QO23040236

Parties of Record:

- Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel**
- Phillip J. Passanante, Esq., Atlantic City Electric Company**
- Dominick DiRocco, Esq., Elizabethtown Gas Company and South Jersey Gas Company**
- Tori Giesler, Esq., Jersey Central Power & Light Company**
- Andrew K. Dembia, Esq., New Jersey Natural Gas Company**
- Matthew M. Weissman, Esq., Public Service Electric and Gas Company**
- Margaret Comes, Esq., Rockland Electric Company**
- Michael Ambrosio, TRC Energy Services**

BY THE BOARD:¹

This Order memorializes action taken by the Board of Public Utilities (“Board” or “BPU”) at its June 29, 2023 public meeting, where the Board considered and determined fiscal year 2024 (“FY24”) programs and budget for New Jersey’s Clean Energy Program (“NJCEP”).²

BACKGROUND & PROCEDURAL HISTORY

On February 9, 1999, the Electric Discount and Energy Competition Act (“EDECA” or “Act”), N.J.S.A. 48:3-49 et seq., was signed into law, creating the Societal Benefits Charge (“SBC”) to fund programs for the advancement of energy efficiency (“EE”) and renewable energy (“RE”) in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a comprehensive resource analysis (“CRA”) of EE and RE programs in New Jersey every four (4) years. The CRA would then be used to determine the appropriate level of funding over the next four (4) years for the EE and Class I RE programs, which are part of what is now known as the NJCEP. Accordingly, in 1999, the Board initiated its first CRA proceeding, and in 2001, it issued an order setting funding levels, the programs to be funded, and the budgets for each of those programs, for the years 2001 through 2003. Since then, the Board has issued numerous Orders

¹ Commissioner Marian Abdou abstained from voting on this matter.

² The budgets approved in this Order are subject to State appropriations law.

setting the funding levels, related programs, and program budgets for the years 2004 – Fiscal Year 2023 (“FY23”).³

In 2018, Governor Murphy signed into law the landmark legislation known as the Clean Energy Act (“CEA”).⁴ The CEA called for a significant overhaul and amplification of New Jersey’s clean energy systems through increasing the commitment to both EE and RE, as well as building sustainable infrastructure to fight climate change and reduce carbon emissions. These efforts will also create well-paying local jobs, grow the State’s economy, and improve public health while ensuring a cleaner environment for current and future residents.

Process Regarding Development of the Proposed FY24 Programs and Budget Filings

Coordination with Program Administrator

On December 1, 2015, the Department of Treasury awarded a Program Administrator contract (“Contract”) to Applied Energy Group, Inc. (“AEG”). On January 13, 2017, TRC Energy Solutions (“TRC”) acquired the NJCEP Program Administrator Contract from and assumed AEG’s rights and duties thereunder.⁵ The Contract requires TRC to participate in the annual CRA process, participate in the annual budget process, prepare draft annual Compliance Filings (as defined below) for the NJCEP, design and implement improvements to the NJCEP’s programs, obtain and consider stakeholder feedback, coordinate annual NJCEP evaluations, and implement the agreed-upon recommendations flowing from those evaluations. TRC has been fulfilling these requirements as applicable and as they come due.

Stakeholder and Public Process

On May 12, 2023 via the BPU listserv and NJCEP website, the Board provided notice of a June 2, 2023 public hearing. On May 22, 2023, the Board released the proposed FY24 programs and budget, including the following documents posted to the NJCEP website: the CRA Straw Proposal, the Division of Clean Energy’s (“DCE”) Compliance Filing, TRC Program Descriptions and Budgets (“TRC Compliance Filing”), Comfort Partners Compliance Filing, Charge Up New Jersey Compliance Filing, the Division of Property Management and Construction Designated Project List (“DPMC DPL”), and the proposed FY24 NJCEP Budget (“FY24 Budget”). The covering emails and website postings requested comments by June 12, 2023 on these documents. At the June 2, 2023 public hearing, Board Staff (“Staff”) presented the Proposed FY24 Budget, and oral comments were heard on the CRA Straw Proposal and the Proposed FY24 Compliance Filings and Budget. By email dated June 6, 2023, the New Jersey Department of Environmental Protection (“NJDEP”) confirmed that: a) the Board had consulted with the NJDEP regarding the CRA Straw Proposal, including, without limit, the Proposed FY24 Funding Level set forth therein (as defined below); and b) the NJDEP agreed with the Proposed FY24 Funding Level.

³ In the early years, the budgets and programs were based on calendar years, but in 2012, the Board determined to begin basing the budgets and programs on FYs to align with the overall State budget cycle. In 2012, the Board ceased issuing the CRA on a four-year cycle and began to issue a CRA annually.

⁴ L. 2018, c. 17, https://www.njleg.state.nj.us/2018/Bills/PL18/17_.PDF, codified at N.J.S.A. 48:3-87.8 et al.

⁵ For ease of presentation, the Program Administrator is referred to throughout this Order as “TRC” or “the Program Administrator.” TRC, together with its subcontractors, is referred to as the “TRC Team.”

Approval of CRA Straw Proposal

On June 29, 2023, prior to acting on the present Order, the Board reviewed and approved a Comprehensive Energy Efficiency & Renewable Energy Resource Analysis Straw Proposal, including new SBC funding and total FY24 funding (“CRA Order”). The proposed budgets set out below utilize and are consistent with the funding levels approved in the CRA Order.

PROPOSED FY24 PROGRAMS AND BUDGET

Based on the goals set forth in the CRA Straw Proposal, the policy objectives of the NJCEP, and historic spend rates, and in close coordination with the TRC Team, Staff developed proposed programs and budget as described below.

Proposed FY24 Budgets for the NJCEP

To determine the proposed FY24 budget for the entire NJCEP, Staff did the following:

- Calculated the total funding per the CRA Order, comprised of the amount of new FY24 SBC funding and other funding;
- Estimated the amount of commitments made prior to FY24 that are expected to be paid in or to remain committed through FY24; and
- Added the commitment backlog to FY24 funding to arrive at a total proposed FY24 Budget of \$660,108,841.

New Jersey Clean Energy Program – Fiscal Year 2024 Budget

<i>FY24 Program/Budget Line</i>	<i>FY24 New Funding</i>	<i>FY23 Estimated Uncommitted Carryforward</i>	<i>FY23 Estimated Committed Carryforward</i>	<i>FY24 Budget</i>
Total NJCEP + State Initiatives	344,665,000	38,087,454	277,356,387	660,108,841
State Energy Initiatives	71,200,000	0	0	71,200,000
Total NJCEP	273,465,000	38,087,454	277,356,387	588,908,841
Energy Efficiency Programs	140,926,128	14,568,263	140,727,661	296,222,053
<i>Res Low Income (Comfort Partners)</i>	56,978,000	0	0	56,978,000
Comfort Partners	56,978,000	0	0	56,978,000
<i>C&I EE Programs</i>	40,123,730	0	43,094,120	83,217,851
C&I Buildings	35,447,006	0	40,841,149	76,288,155
LGEA	3,969,300	0	1,392,742	5,362,042
DI	707,424	0	860,229	1,567,654
<i>New Construction Programs</i>	40,204,398	0	20,367,213	60,571,611
New Construction	40,204,398	0	20,367,213	60,571,611

<i>Energy Efficiency Transition</i>	20,000	14,568,263	0	14,588,263
<i>State Facilities Initiative</i>	3,600,000	0	57,997,550	61,597,550
<i>Acoustical Testing Pilot</i>	0	0	3,281,880	3,281,880
<i>LED Streetlights Replacement</i>	0	0	15,986,898	15,986,898
Distributed Energy Resources	7,517,135	0	12,663,026	20,180,161
<i>CHP - FC</i>	7,017,135	0	10,975,526	17,992,661
<i>Microgrids</i>	500,000	0	1,687,500	2,187,500
RE Programs	12,538,670	0	11,356,584	23,895,254
<i>Offshore Wind</i>	9,050,000	0	11,356,584	20,406,584
<i>Solar Registration</i>	3,488,670	0	0	3,488,670
EDA Programs	16,000,000	17,228	21,894,816	37,912,044
<i>Clean Energy Manufacturing Fund</i>	0	17,228	0	17,228
<i>NJ Wind</i>	10,000,000	0	15,400,942	25,400,942
<i>R&D Energy Tech Hub</i>	6,000,000	0	6,493,874	12,493,874
Planning and Administration	24,983,066	23,501,963	19,608,369	68,093,398
<i>BPU Program Administration</i>	5,585,000	0	0	5,585,000
<i>Marketing</i>	4,242,519	3,757,481	4,262,234	12,262,234
<i>CEP Website</i>	1,000,000	0	500,000	1,500,000
<i>Program Evaluation/Analysis</i>	8,825,547	19,744,482	13,784,523	42,354,552
<i>Outreach and Education</i>	5,200,000	0	1,024,889	6,224,889
Sustainable Jersey	725,000	0	164,000	889,000
NJIT Learning Center	700,000	0	455,632	1,155,632
Conference	0	0	405,257	405,257
Outreach, Website, Other	3,775,000	0	0	3,775,000
<i>Memberships</i>	130,000	0	36,723	166,723
BPU Initiatives	71,500,000	0	71,105,931	142,605,931
<i>Community Energy Grants</i>	3,000,000	0	2,574,034	5,574,034
<i>Storage</i>	2,000,000	0	22,000,000	24,000,000
<i>Heat Island Pilot</i>	0	0	2,500,000	2,500,000
Electric Vehicle Program	66,500,000	0	17,700,000	84,200,000
Plug In EV Incentive Fund	30,000,000	0	1,700,000	31,700,000
CUNJ Administrative Fund	1,000,000	0	2,000,000	3,000,000
CUNJ Residential Charger Incentive	0	0	4,500,000	4,500,000
EV Studies, Pilots, and Administrative Support	0	0	3,000,000	3,000,000
State Vehicle Fleet	2,500,000	0	3,500,000	6,000,000
Local Clean Fleet	4,000,000	0	2,000,000	6,000,000
Multi-Unit Dwellings (Chargers)	15,000,000	0	0	15,000,000
EV Tourism	7,000,000	0	1,000,000	8,000,000
E-Mobility Pilot Programs	7,000,000	0	0	7,000,000
Energy Bill Assistance	0	0	21,831,897	21,831,897
Workforce Development	0	0	4,500,000	4,500,000

Proposed FY24 Budgets for EE Programs

As part of the statewide overhaul of New Jersey's clean energy systems, the CEA required New Jersey's investor-owned gas and electric utility companies to reduce their customers' use of gas and electricity by set percentages over time. To help reach these targets, the BPU approved a comprehensive suite of EE programs designed to transition the State to some of the highest energy savings in the country.

These "next generation" EE programs feature new ways of managing and delivering programs historically administered by the NJCEP. Some of the programs will continue to be administered by NJCEP, but the remaining programs have transitioned to administration by the utilities.

Generally, there will be three (3) main categories of what are still the NJCEP programs:

1. Programs that will remain administered by and through the NJCEP.
 - a. New Construction Programs ("NCP");
 - b. Commercial and Industrial Buildings ("C&I"): Large Energy Users Program ("LEUP");
 - c. Local Government Energy Audit ("LGEA"); and
 - d. Combined Heat and Power – Fuel Cells ("CHP-FC").

The C&I LEUP includes a new Decarbonization Pilot to incentivize a scope of work broader than traditional EE, such as beneficial electrification, electric vehicle chargers, storage, and combined heat and power, among others. Unlike traditional EE programs, the Decarbonization Pilot would explicitly target greenhouse ("GHG") emissions reductions. Staff is also in the process of developing a redesigned NC Program that will streamline existing programs and allow for a greater depth of scope. Staff will present this to the Board for their consideration and possible approval. However, until this occurs, the existing NC Programs will continue to run unchanged. Staff will further evaluate the other EE programs, which will remain with the NJCEP, and seek stakeholder engagement about possible improvements and enhancements aimed at increased energy savings throughout the year.

2. Programs that have transitioned to the utilities, but for which the NJCEP programs will remain open for the limited purpose of accepting applications for equipment purchased before July 1, 2021.
 - a. C&I Buildings: Retrofit ("C&I Retrofit" or "SmartStart Retrofit"); and
 - b. C&I Customer Tailored Energy Efficiency Program ("CTEEP"), as to retrofits only.
3. Programs that have transitioned to the utilities but will remain open in the NJCEP for the limited purpose of processing applications submitted or funds committed, as applicable, on or before June 30, 2021.
 - a. C&I Buildings – Pay for Performance ("P4P") – Existing Buildings ("P4P EB"); and
 - b. Direct Install ("DI").

The proposed FY24 budgets for EE programs that will continue to be administered by the State are shown in the FY24 Budget table above; a brief description of each of the EE programs is set forth below:

- *New Construction Programs*: Provides financial incentives to builders who construct new homes meeting the New Jersey Energy Star Homes standards, which exceed the

requirements of existing energy codes. As mentioned above, Staff is in the process of developing a redesigned New Construction Program that seeks to streamline many of the existing programs. However, the existing programs will continue to run unchanged until that time.

- *Comfort Partners*: Provides for the installation of energy conservation measures at no cost to income-qualified customers.
- *C&I Buildings*: As mentioned previously, the LEUP includes a new Decarbonization Pilot. This program also includes C&I - New Construction, CTEEP – New Construction, Large Energy Users, and P4P - New Construction, many of which have transitioned to the utilities but funding has been provided for the limited purpose to process applications submitted prior to the closure of the programs. These programs provide rebates and other incentives to C&I customers who incorporate high efficiency equipment into new construction.
- *LGEA*: Provides subsidized EE audits to municipalities, school districts, and non-profits.
- *EE Transition*: Includes funding to support the transition of the EE programs that will remain with the State and be administered by the program administrator. This budget line will also support any remaining unforeseen costs for programs that have transitioned to the utilities.
- *State Facilities Initiatives*: Through an Energy Capital Committee, identifies and implements energy efficiency projects in State-owned facilities with the objective of producing energy savings.
- *Acoustical Testing Pilot*: Encourages the exploration of new energy-saving opportunities in the water sector.
- *LED Streetlights Replacement*: This program will allocate funding for municipalities to meet the upfront costs of the changeover to light-emitting diode (“LED”) streetlights and receive the benefits of the resulting energy savings and reduction in greenhouse gas emissions.

Proposed FY24 Budgets for Distributed Energy Resource Programs

The proposed FY24 budgets for distributed energy resources (“DER”) programs are shown in the preceding table; a brief description of each DER program is set forth below:

- *CHP / Fuel Cell*: Provides incentives for the installation of Combined Heat and Power (“CHP”), including, without limit, those utilizing bio-power and fuel cells with heat recovery and without heat recovery.
- *Microgrids*: Provides incentives to fund feasibility studies and engineering design for potential DER microgrids in the state.

Proposed FY24 Budgets for RE Programs

The proposed FY24 budgets for RE programs are shown in the preceding table; a brief description of each of the RE programs is set forth below:

- *Offshore Wind*: Provides funding for research, evaluations, and consulting services.
- *Solar Registration*: Registers projects that are eligible to generate and trade Solar Renewable Energy Credits (“SRECs”); Transition Renewable Energy Certificates (“TREC”); and SREC-IIs under the Solar Programs. In FY24, the focus of the Solar Programs will be to support the goals and objectives of New Jersey’s solar policies, including the Successor Solar Incentive Program and the Community Solar Program.

Proposed FY24 Budgets for EDA Programs

The proposed FY24 budgets for the Economic Development Authority (“EDA”) programs are shown in the preceding table; a brief description of each of the EDA programs is set forth below:

- *Clean Energy Manufacturing Fund: Provides incentives to attract and expand energy efficiency and renewable energy manufacturing facilities in New Jersey. No new applications will be accepted, and no new grants or incentives will be awarded by the EDA. All existing loans and grants previously awarded and managed by the EDA have been fully paid.*
- *NJ Wind: Supports the launch and growth of the Wind Innovation and New Development Institute, with efforts focused on workforce development.*
R&D Energy Tech Hub: Strengthens the state’s cleantech ecosystem and encourages the continued development and growth of the green workforce and economy focusing on innovation.

Proposed FY24 Budgets for Planning & Administration

The FY24 budgets for planning and administration are shown in the preceding table; a brief description of each of the planning and administration functions is set forth below.

- *BPU Program Administration: Includes primarily Staff salaries and fringe benefits.*
- *Marketing: Includes funding for marketing initiatives.*
- *CEP Website: Includes funding for redesigning the Clean Energy Program website.*
- *Program Evaluation/Analysis: Includes funding for program evaluation, the results of which are used, among other things, to set incentive levels and design programs.*
- *Outreach and Education: Includes funding for a potential Clean Energy Conference, the implementation of outreach prepared by the TRC Team, and projects with NJIT and Sustainable Jersey.*
Memberships: Includes funding for membership in organizations coordinating advancement of clean energy initiatives.

Proposed FY24 Budgets for BPU Initiatives

The Proposed FY24 budgets for BPU Initiatives are shown in the preceding table; a brief description of each of these initiatives is set forth below.

- *Community Energy Grants: Helps communities leverage existing complementary programs, as well as encourage other energy saving behavior modifications, with the goal of reducing energy usage as a whole.*
- *Storage: Provides funding to establish a process and mechanism for achieving the State’s energy storage and resiliency goals.*
- *Electric Vehicles: Encourages adoption of electric vehicles and funds charging infrastructure.*
- *Heat Island Pilot: Seeks to address the impacts of the heat island effect experienced in many urban areas through interagency coordination and through offering incentives to address several of the underlying factors that contribute to this effect, with the additional benefit of increasing EE and resilience.*
- *Energy Bill Assistance: Provides funding for an additional one-time customer arrearage assistance.*

- *Workforce Development:* Advances workforce development with a focus on community-based approaches that will build a more inclusive and representative clean energy workforce.

SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS

Written and oral comments regarding the Proposed FY24 Compliance Filings and Proposed FY24 Budget were submitted by ChargeEVC, Dandelion Energy, EAM Associates, Energy Efficiency Alliance of New Jersey ("EEA-NJ"), Environmental Defense Fund ("EDF"), Fuel Cell Energy, Hyundai Motor America ("Hyundai"), Isles Inc., Joanne Pannone, MaGrann Associates, Michael Winka, Natural Resources Defense Council ("NRDC"), New Jersey Apartment Association ("NJAA"), New Jersey Coalition of Automotive Retailers ("NJCAR"), New Jersey Division of Rate Counsel ("Rate Counsel"), New Jersey Electric Vehicle Association ("NJEVA"), New Jersey Future ("NJF"), New Jersey Natural Gas Company ("NJNG"), Northeast Chapter of the Combined Heat and Power Alliance ("The NE Chapter"), Public Service Electric and Gas Company ("PSE&G"), ReVireo, Robert Erickson, Shivaram, Sierra Club New Jersey Chapter ("Sierra Club"), SWITCH Energy, and Tesla.

Below is a summary of the testimony and comments, as well as Staff's responses to them. Staff reiterates that they are conducting an ongoing series of meetings and other outreach for soliciting input on broad features of the programs that will enable the State to meet the clean energy goals set forth in the CEA and the 2019 Energy Master Plan ("EMP").⁶ In other words, although Staff is ready, willing, and able to further consider input on such broad features, in many cases the current proceeding is not an appropriate vehicle for doing so.

Staff notes that the process and schedule for commenting on the FY24 Budget, compliance filings and CRA Straw Proposal were very similar and that both proposals are being presented to the Board on the same Agenda. Because some comments do not readily lend themselves to being classified as being about one proposal versus the other, Staff strongly encourages readers interested in either proceeding to read the comments and responses regarding both proposals.

General Comments

Comment: Rate Counsel argued that the CRA should be based on a multi-year funding proposal rather than budgeting one (1) year at a time. Rate Counsel also indicated that the CRA needs to provide greater details on historic expenditures and an analysis of the resources available to meet clean energy goals, including the extent to which proposed expenditures will contribute to those goals.

Rate Counsel also commented that the Cost-Benefit Analysis ("CBA") at Appendix E in the TRC Compliance Filing lacks the supporting documentation that would enable stakeholders to meaningfully review the analysis.

Response: While Staff will consider longer term budgeting in the future as has been discussed in the EE proceeding, at this time, Staff respectfully disagrees. As noted in the commenter's remarks, the Board determined that the CRA and NJCEP budget should be adjusted in 2012 to better align with the State's annual budget. Also, this annual approach to developing the CRA

⁶ New Jersey Board of Public Utilities, 2019 New Jersey Energy Master Plan: Pathway to 2050, available at https://nj.gov/bpu/pdf/publicnotice/NJBPU_EMP.pdf.

and NJCEP budget allows for greater stakeholder input and Staff to better assess changes that impact program needs. Further, the details the commenter requests regarding expenditures and available resources are provided each FY during the true-up budget process. The budgets that the Board approves at the beginning of each FY are based on estimated expenditures and commitments.

Staff also disagrees that documentation to support the analysis is lacking. The CBA includes a discussion and the results of the application of all six (6) tests of cost-effectiveness generally recognized in New Jersey (including the New Jersey Cost Test). In addition, the level of detail and support is consistent with N.J.S.A. 48:3-60, the Board's Orders implementing that statute and identifying the requirements for Compliance Filings [e.g., In re Order Establishing 2009 – 2012 Funding Level, Docket No. EO07030203 (September 30, 2008), at p.58], and the level of detail and support historically contained in Board-approved Compliance Filings.

Comment: Rate Counsel alleged that the proposed budget allocations for FY24 do not provide sufficient detail on the plans for spending the allocated funds, noting that there is no specific information on the number of customers expected to participate and alleging that significant funds have been allocated to programs without the level of detail the commenter would like to see.

Response: The NJCEP is a dynamic program, with changes made to existing programs and new components introduced from year to year. It is not always possible or desirable for the Board to await development of a fully fleshed out program plan before exploring new avenues for meeting the State's ambitious clean energy goals.

Comment: Rate Counsel commented that the DCE has not considered using all available sources of federal funding from the recent Infrastructure and Jobs Act ("IIJA") and Inflation Reduction Act ("IRA"), to offset ratepayer expenses in areas for which the IIJA provides funding, such as EE, workforce development, and electric vehicles ("EVs"). Stating that Staff proposed to continue collecting the same amount of money from ratepayers despite transitioning many EE programs back to utilities, Rate Counsel commented that the budget allocations appeared geared toward meeting a spending goal rather than basing spending on an analysis of the resources needed to meet specific goals.

Response: Staff, with assistance from TRC, continue to look for ways to maximize the use of all sources of funding, including recent money made available under the IIJA and IRA. Specifically, Staff have leveraged funding through the State Energy Program ("SEP") to expand the reach of NJCEP programs to benefit Non-Investor Owned Utility Customers in areas such as EE, EVs, and LED Streetlights.⁷ Staff disagrees that the budget allocations are geared toward meeting a spending goal; rather, the spending goal springs from the clean energy goals that have been established by the executive and legislative branches of the State's government.

Comment: Rate Counsel noted that they need additional time to review the budget documents.

Response: Staff note that additional time for comment review was provided this year based on previous feedback from stakeholders. Staff will continue to look for ways to provide ample time for stakeholders to review.

⁷ In re the United States Department of Energy – State Energy Program – Bipartisan Infrastructure Law – July 1, 2022 – June, 30, 2027, Docket No. QO22100660, Order dated December 7, 2022.

Comment: Robert Erickson commented that the FY24 Budget neglects to focus on the goals of eliminating carbon dioxide and GHG emissions and fails to provide adequate reporting on how the funding is associated with any emission reductions. Also, the commenter indicated he would like to see how the programs funded through the NJCEP achieve the goals outlined in the EMP and recent Executive Orders.

Response: Staff thanks the commenter for his input but respectfully disagrees. The DCE Compliance Filing provides a thorough explanation of how each funded program ties directly to one of the seven strategies outlined in the EMP. Additionally, the DCE quarterly reports, posted on the DCE website, provide a technical breakdown of the annual emission reductions associated with many of the key program areas. DCE also continues to work closely both with TRC and with its sister agencies to develop programs that best align with the State's overall emissions reduction and clean energy goals.

Comment: EEA-NJ stated that the BPU and other relevant State Agencies should coordinate their approach across all of NJCEP's programs, especially in the areas of electrification, the future of natural gas, and developing a 2024 EMP, so that they fully reflect Executive Order Nos. 315, 316, and 317. In the commenter's opinion, the current EMP goals promoting electrification and net-zero carbon new construction are underdeveloped and limited in scope. The commenter believes that the forthcoming federal funding, BPU decarbonization strategy, and NC Program could help remedy this shortcoming and rapidly accelerate transition and deployment. Further, EEA-NJ believes that the BPU should apportion a part of the awarded SEP funds for the electrification of delivered fuels homes. Similarly, the commenter stated that other programs, including the Home Energy Performance Based, Whole-House Rebate ("HOMES") and High Efficiency Electric Home Rebate Act ("HEERA") programs, should simultaneously aid delivered fuels customers and provide incentives for building shell efficiency improvements, allowing a comprehensive approach that will dramatically reduce both on-site energy use and emissions.

Response: As BPU reevaluates and revises the EMP, BPU will account for all current State directives and authorities. BPU will continue to rely on recent Executive Order Nos. 315, 316, and 317 to guide Staff in program development and their collaboration with its sister agencies. Staff also recognizes the importance of providing electrification opportunities to delivered fuels customers and notes that the BPU is proposing to prioritize these customers as part of building decarbonization start-up programs offered by the utility companies. Staff is also exploring whether more SEP funding could be dedicated to support increasing building efficiency, which could include electrification, for customers of non-regulated electric utility companies (including delivered fuels customers). Additionally, Staff plans to leverage the HOMES and HEERA programs by braiding the new federal funding into existing incentive programs.

Comment: EEA-NJ commented the IRA's HOMES Program should be leveraged to accelerate energy efficiency improvements in New Jersey and meet the electrification goals of Executive Order No. 316. The commenter believes that these programs are noticeably absent from the provided program descriptions, although the commenter asserts that New Jersey is currently eligible for approximately \$4.5 million in administrative funding to start them up.

Response: Staff plans to leverage the HOMES and HEERA programs by braiding the new federal funding into existing incentive programs.

Comment: Michael Winka commented on the successes and many benefits the NJCEP has provided over the last 25 years. He also noted that the CRA should include not just SBC funded programs but all EE and RE programs managed by DCE. The commenter would also like to see

the CRA identify how the programs funded through the NJCEP go towards achieving the goals of the EMP. Lastly, the commenter believes that other sources of funding, including the IJA and IRA, are sufficient to effectively incentivize some programs areas within the budget, such as grid supply solar, so that the funding currently given to those programs could be reallocated to other areas within the NJCEP budget.

Response: Staff thanks the commenter for his remarks and appreciates his support for the accomplishments of the NJCEP. Staff believes that including only SBC-funded programs in the CRA provides more clarity to how these funds are being used and is consistent across all the other accompanying budget documents. Additionally, Staff notes that the funding for grid scale solar is to support the program administrator and not to pay incentives. Staff, along with the program administrator, has begun evaluating the efficacy of the Competitive Solar Incentive (CSI) Program so that adjustments can be made as needed.

Budgets

Comment: Rate Counsel and EEA-NJ expressed their concerns with the \$71.2 million funding being allocated from the State Energy Initiatives budget line to the FY24 State budget and indicated that the funds should only be used to support the achievement of the State's clean energy goals.

Response: Staff appreciates the comments submitted by commenters regarding funding allocations and the State Energy Initiatives budget line. However, as noted by EEA-NJ, this amount is set through the State budget, and there has been a reduction in the need for this non-recurring revenue over the past five (5) FYs. The \$71.2 million in FY24 will continue to be used primarily to support NJ Transit energy-related initiatives and the costs of State departments purchases of products in compliance with L. 2020, c. 117 (C.13:1E-99.126 et seq.), which prohibited the provision or sale of certain single-use carryout bags, plastic straws, and polystyrene foam food service products.

Comment: Michael Winka recommended modifying the methodology for collecting the SBC from ratepayers such that the SBC collection would be based on the percentage of greenhouse gas emissions avoided or saved in the electric and natural gas sectors rather than on energy usage. The commenter argued that this methodology would align the SBC collection and the NJCEP with the goals of the EMP.

Response: Staff appreciates this comment and agrees with the need to align the NJCEP and clean energy programs overseen by the BPU with the EMP and greenhouse gas emission reduction goals to the greatest extent possible and feasible. For example, the Board adopted a New Jersey Cost Test (which quantifies costs and benefits of energy efficiency programs) for the second three-year cycle ("Triennium 2," which will occur from 2024 - 2027) of State- and Utility-run EE programs that includes new values for avoided emissions impacts for each ton of NO_x and SO₂ avoided, in addition to the current values for avoided emissions impacts for each ton of CO₂ avoided. In addition, given New Jersey's mid- and long-term goals for building electrification, clean energy, and emissions reductions for 2030, 2035, and 2050, Staff has issued a straw proposal on Utility-run building decarbonization start-up programs for Triennium 2 whose key performance metric would be CO₂ emissions reductions, in addition to energy reductions, with a specific focus on achieving Executive Order No. 316 goals through Triennium 2 and Triennium 3 (2027 - 2030).

Energy Efficiency Programs

Comment: Rate Counsel commented that the program descriptions in the compliance filings, especially for the DCE programs, are insufficiently detailed. Rate Counsel pointed to, for example, the lack of specificity as to the measures to be installed, the cost or savings related to those measures, and any other data to support the proposed programs.

Response: Staff respectfully disagrees. For example, TRC's Appendix G contains an extensive, detailed list of measures and their associated incentives. The level of detail and support in the subject Compliance Filings is consistent with N.J.S.A. 48:3-60, the Board's Orders implementing that statute and identifying the requirements for compliance filings [e.g., In re Order Establishing 2009 – 2012 Funding Level, Docket No. EO07030203 (September 30, 2008), at p.58], and the level of detail and support historically contained in Board-approved compliance filings.

Comment: Rate Counsel commented that the TRC Compliance Filing: a) fails to explain how funds are distributed between the LEUP and the LEUP Decarbonization Pilot ("Decarb Pilot"); and b) is unclear as to whether the Direct Install ("DI") budget line is for implementation of the C&I Buildings Programs or instead is for an additional subprogram. Rate Counsel also asked for a more thorough description of programs described in the compliance filings but not identified in the budget table.

Response: Because the Decarb Pilot is simply a component of LEUP, it does not have a separate Board-approved budget, consistent with historic practice. As explained in the Introduction to TRC's Compliance Filing, the \$1,567,654 DI budget line is to pay applications received during prior FYs in accordance with the program rules in place during the applicable fiscal year(s) to the projects in the pipeline when the program was closed to new applications. Staff believes that the FY24 Budget provides an appropriate level of detail for the programs identified in the compliance filings.

Comment: PSE&G commented that the proposed new Decarb Pilot could duplicate and undermine the existing Engineered Solutions Program ("ESP") currently being administered by the state's utilities, particularly as to the university sector. The commenter believes it would be preferable to leverage the Engineered Solutions program to work towards this goal.

Response: PSE&G made similar comments regarding the proposed FY23 True-up Budget and related TRC Compliance Filing, and Staff carefully considered those comments while designing the Decarb Pilot. Staff believes any negative impact on ESP will be relatively minor, and it submits that the overall benefit of the Decarb Pilot outweighs any such negative impact.

Comment: Michael Winka commented that this pilot should include an incentive for colleges and universities to replace their fossil-fueled CHP systems with ground source heat pumps ("GSHPs").

Response: Although the pilot does not include a specific prescriptive incentive for such a replacement, the pilot is designed to more generally encourage such replacements, as well as other GHG reduction projects.

Comment: NRDC, Michael Winka, Robert Erickson and others pointed to Executive Order Nos. 315, 316, and 317 and other State documents as indicating the State's commitment to the rapid and aggressive decarbonization and electrification of the construction sector, which commitment the commenters argued could be achieved only by ceasing to support any fossil-fueled ("FF")

measures (including through CHP-FC) and instead substantially increasing support for heat pumps, electric water heating, electric stoves, and other electric equipment. The commenters opined that this increase in support for electric equipment should take the form of, among other things, basing incentives upon the amount of GHG emissions reduced and incentivizing only Zero Energy or Zero Energy Ready Homes ("ZERH"). On the other hand, NJNG and others in the natural gas industry argued that the market is continuously developing more energy-efficient natural gas equipment and appliances and that customers should be given the option to choose the fuel and equipment they prefer, especially when, as now, natural gas is less expensive than many other energy sources.

Response: Staff has carefully considered, among other things, the referenced Executive Orders and Governor Murphy's February 15, 2023 announcement regarding the State's initiatives to combat climate change. Staff agrees with the commenters that the State's decarbonization and electrification goals are best met by developing incentives that will lead to a rapid transition to all-electric homes, particularly in new construction. Staff is currently working on revisions to the NC Program in response to stakeholder engagement and will welcome further comments and feedback on that proposal.

Comment: Referencing a Staff comment at a June 2, 2023 stakeholder meeting that applications are no longer being accepted for "Legacy" NCP and that funding for "Legacy" NCP is limited to commitments made in prior fiscal years, Rate Counsel stated that most of the \$60,000,000 NC budget must be for a new NCP that is not yet fully developed or approved. Rate Counsel suggests that this funding be used instead to reduce rates.

Response: With respect to comments made at the referenced stakeholder meeting, Staff believes it stated, and at any rate intended to state, only that certain already closed programs, such as the DI Program, are no longer accepting applications and are being funded only to pay commitments made in prior FYs. However, it is not accurate to state that new applications are no longer being accepted in the "Legacy" NCP and that funding for them is limited to commitments made in prior FYs. Instead, those Legacy programs, which are identified as such in the Introduction to the TRC Compliance Filing, are and will remain open to new applications until those Legacy programs are closed pursuant to an as-yet unannounced transition period. Further, until the new NCP and the related transition plan are presented to and approved by the Board, it is not possible to determine the allocation of NC funding between the expiring Legacy NCP and the new NCP. Any such allocation would not be very useful, since in either case the funds are to be used to incentivize EE in new construction. Finally, Staff respectfully submits that it is more consistent with the State's policies for the Board to use the funds for EE.

Comment: Dandelion Energy supports the budget for the EE NCP, in part because that funding can support the purchase and installation of EE GSHPs to help meet the State's ambitious electrification goals, including those set forth in Executive Order No. 316. It also commented that NJCEP incentives for GSHPs should be available regardless of a given customer's existing heating fuel (e.g., should not be limited only to those customers currently using electric heating).

Response: Staff agrees that NCP should incentivize the purchase and installation of efficient GSHPs, along with other EE heating, ventilation, and air conditioning ("HVAC") equipment, as part of reducing GHG emissions and meeting the State's electrification goals. Staff also agrees that incentives for GSHPs should be available regardless of a given customer's existing heating fuel and notes that all the existing NJCEP programs, including LEUP, are structured accordingly. Staff also notes that GSHPs currently present a greater challenge to designers and installers and can be quite expensive. Dandelion's comments will be considered in the continuing development

of the NCP.

Comment: Dandelion Energy commented that GSHPs be included in the revised NCP with a prescriptive “per-ton” rebate as an Advance Measure Bonus as a way to address the “split incentive” between builders who benefit from the lower installation cost of less efficient heating equipment and buyers who benefit from the efficiencies of a heat pump.

Response: Staff will consider this comment in its continuing development of the new NCP and encourages Dandelion Energy to formally re-submit the comment if, and when, the new NCP is formally proposed.

Comment: Rate Counsel commented that they supported the use of existing funding for the Acoustical Testing Pilot Program and look forward to seeing the efficacy of the program in terms of the energy, water, and cost savings.

Response: Staff thanks Rate Counsel for their remarks.

Comment: Rate Counsel commented that they would like to see more details for how the \$16 million in carryforward funding will be used to support the LED Streetlights Replacement Program, noting that it is unclear whether the requested funding is appropriate without knowing more about how it will be spent. Specifically, Rate Counsel indicated that it would like to see how the program is implemented in terms of the number of streetlights that will be replaced or the savings and benefits expected to be achieved. Rate Counsel expressed their support for the overall goals of this program but expressed concern regarding the potential for stranded costs for existing streetlights that have not reached the end of their useful lives.

Response: Staff appreciates the commenter’s interest in this program and looks forward to continuing to engage with stakeholders on the details of this program following the release of the Straw Proposal. Staff thanks the commenter for their overall support for this program and agrees with them on the potential benefits it can provide to New Jersey communities.

Comment: Rate Counsel questioned the need for the \$14.5 million budgeted in the EE Transition line, especially since only \$20,000 has been allocated to TRC for covering remaining appeals for programs that have transitioned to the utilities. The commenter suggested that TRC is in the best position to determine the remaining costs associated with the transition and that if TRC’s total program budget is \$20,000 the need for the \$14.5 million is questionable. Rate Counsel recommended that the funds be returned to ratepayers or alternatively that the Board consider transferring a portion of these funds to the Whole House Pilot to address health and safety for low-income communities in Trenton.

Response: Staff continues to work closely with TRC to identify ongoing EE transition needs and allocate funding accordingly. Staff has budgeted conservatively to cover any remaining costs that may still arise as part of the EE transition. Staff expects this budget line to decrease further in future budgets and that funds will be reallocated to other programs as that occurs and as needed.

Comment: Robert Erickson argued that BPU should establish an aggressive building electrification roadmap by the end of 2023 as part of the FY24 budget, including line items to provide training for building designers, developers, and HVAC contractors in cold climate heat pump technology and installation for both new and retrofit buildings.

Response: Staff notes that the Clean Buildings Working Group, a collaboration between the

Governor's Office of Climate Action and the Green Economy and the BPU, is currently bringing together a cross-sector collaborative of stakeholders and experts in industry, government, building science, organized labor, environmental justice, and workforce development to guide the State's strategic roadmap to clean buildings, which will include recommendations for policy, legislative, workforce, and funding strategies, and lay out the State's path to achieving 2030 building decarbonization targets as well as the State's GHG reduction goals.

Comment: Robert Erickson called for the BPU to establish stronger incentives for electrification, especially for cold climate heat pumps and building weatherization, and included specific suggestions for retrofits and new construction, including among others a \$5,000 incentive for each residential retrofit for cold climate heat pump installation, as well as additional incentives for required electric panel work.

Response: Staff does not disagree with Robert Erickson's call for higher incentives for cold climate heat pumps. As part of the framework for the next cycle of EE programs, the utilities will propose incentive ranges for specific measures, including cold climate heat pumps, as common elements for core programs. Also, Staff has provided a separate straw proposal that would require the public electric utility companies to offer building decarbonization start-up programs, which would include electrification incentives, as part of their portfolios of EE programs. Staff looks forward to continuing to engage with Robert Erickson on specific cold climate heat pump incentives proposed by the utility companies.

Comment: Overall, Robert Erickson expressed concern over what he saw as BPU's apparent lack of urgency and concern in reducing GHG emissions since the EMP, citing a lack of significant building electrification and heat pump objectives, roadmap, and strong incentives in the FY23 and FY24 budgets. More specifically, Robert Erickson criticized the BPU for making identical statements in both FY23 and FY24 to the effect that the BPU is assessing the cost-effectiveness of heat pump adoption in various scenarios and discussing an expansion of rebates and incentives to support this transition.

Response: As noted above, Staff has provided a separate straw proposal that would require the public electric utility companies to offer building decarbonization start-up programs as part of their portfolios of EE programs. As proposed by Staff, these programs would target space and water heating in the residential and multifamily sectors, focusing on switching from delivered fuels to electric heat pumps and making buildings electrification-ready while prioritizing participation by low- and moderate-income ("LMI") and multifamily customers who are not eligible for Comfort Partners. The programs could also target the commercial sector. Staff encourages Mr. Erickson to comment on the building decarbonization start-up programs straw proposal.

Comment: EAM Associates, MaGrann Associates, and ReVireo in their joint comments stated that, in order to avoid a disruption to the market, they and the residential housing construction industry need a transition period regarding the identified new energy codes (i.e., IECC 2021 / ASHRAE 90.1-2019), which transition period would consist of the 90 days following the availability and testing of modifications required to program modeling tools. The commenters proposed amended language that would base the more stringent requirement on permit date and require notice to affected contractors.

Response: Staff agrees in principle and proposes to provide for a 90-day transition period for projects to which the new energy codes are applicable, which period would begin from the date TRC releases the modeling resource to be used to model such projects. The details of the transition would be provided to stakeholders and the public through means other than the present TRC Compliance Filing.

Comment: Rate Counsel commented that they would like to see more information regarding savings and cost-effectiveness of the projects funded through the State Facilities Initiative Program.

Response: The State of New Jersey has implemented changes to its procurement process since the energy transition in 2021. All request for proposals for State facility projects are available through the State's procurement portal, NJStart, and include language that vendors must design to high efficiency standards and complete project reporting. Program reporting procedures have been developed to track the energy savings post-construction. Many of these projects have experienced supply chain impacts and take a minimum of two years for implementation. The energy savings will also be included in the reports TRC produces for NJCEP reporting of energy savings attributed.

Comment: Robert Erickson called for the BPU to establish specific goals for the installation of cold climate heat pumps in FY24 and subsequent annual budgets, given Executive Order No. 316's targets for 400,000 residential units to be electrified by 2030 and consistent with the 2019 EMP strategy 4.1 to start the transition for new construction to be net-zero carbon. In particular, Robert Erickson argued that no fossil fuel consuming equipment should be approved for any new residential construction incentives and that Comfort Partners should replace failed or failing heating and/or cooling systems with cold climate heat pump systems. Robert Erickson further commented on the DPMC projects, stating that all future projects should be designed to maximize the use of cold climate heat pumps, while eliminating the support for fossil fuel equipment. He explained that DPMC should work with BPU to redesign all projects not yet installed to use cold climate heat pumps.

Response: Staff believes that Robert Erickson's comments will be more appropriate addressed in BPU's forthcoming revised NC proposal and encourages him to submit them in that proceeding. Staff also looks forward to future discussion about Comfort Partners' building decarbonization pilot program, as noted in the Comfort Partners section. In regard to his comment on DPMC projects, BPU State Energy Services works with DPMC to collaborate on many projects; however, BPU does not currently control design standards for DPMC projects. BPU does require for State Facility Initiative Designated Projects that high efficiency equipment be part of the design scope and a consideration of the project plan.

Comment: Rate Counsel stated their support of the Comfort Partners Program budget and stressed the importance of this Program in promoting safety and affordability for vulnerable customers.

Response: Staff appreciates the commenter's support.

Comment: Noting that the DCE compliance filing states only that the program may offer incentives and identify clean heat alternatives, Rate Counsel commented that they would like to see more details for the Heat Island Pilot Program and how DCE expects to spend the \$2.5 million budgeted in FY24.

Response: As the commenter indicated in their remarks, DCE's Office of Clean Energy Equity anticipates working closely with the NJDEP to further develop the specific program requirements for this pilot and looks forward to engaging with the commenter during that proceeding.

Comment: Dandelion Energy commented that the Comfort Partners Program should include electrification measures in its offerings and promote the deployment of heat pumps, including geothermal. The commenter believes that it is important for LMI customers to have access to geothermal heat pumps as an HVAC option due to the significant energy usage and cost savings associated with geothermal heat pumps. Dandelion Energy suggests that New Jersey can leverage the heat pump rebates from the IRA to further reduce the cost of heat pumps.

Response: Comfort Partners is currently developing a building decarbonization pilot program that would expand electrification measures in its offerings. Staff will work with Comfort Partners to evaluate geothermal heat pumps as an HVAC option, including as part of the State's implementation plan for electrification rebates under the IRA.

Comment: EEA-NJ expressed support for Comfort Partners to continue efforts to reduce barriers to entry for participation, such as permitting customers residing in low-income census tracts to participate by attesting to their income rather than providing income verification documentation. EEA-NJ also recommended that utilities with overlapping service territories coordinate budgets and services for Comfort Partners, noting that much coordination will be required for the second EE triennium in relation to federal funding, other State programs, and Executive Order No. 316. Finally, EEA-NJ recommended continued coordination between the utilities and the BPU to ensure pairing of State and utility programs and incorporating federal rebates.

Response: Staff appreciates EEA-NJ's support for the ongoing coordination between the utilities and the BPU to pair State and utility programs, including Comfort Partners, as well as for future coordination to pair State and utility programs and incorporate federal rebates.

Comment: Mr. Erickson noted language in a BPU document that states that "Customers who heat with fuel oil where WAP cannot reasonably provide critical services, such as repairing or replacing oil fired heating systems, may be considered for conversion to natural gas by Comfort Partners." Mr. Erickson argued that Comfort Partners should not convert low-income oil customers to gas, asserting that doing so would lock them into high future costs for decades to come.

Response: Staff understands the concern and notes that Comfort Partners is currently developing a building decarbonization pilot program that would expand electrification measures in its offerings, which could include prioritizing converting delivered fuels customers to electricity. Staff is supporting discussion with Comfort Partners and the Weatherization Assistance Program on this topic.

Comment: NJNG expressed support for the proposed Comfort Partners Program budget and the efforts to streamline administration and make participation easier for customers through efforts like the self-certification process. NJNG also encouraged the electrification and decarbonization pilot program to ensure that annual operating costs are not being increased for these customers.

Response: Staff appreciates the support for the Comfort Partners Program budget and administration initiatives. Staff intends to continue to ensure that Comfort Partners participants incur the lowest practicable energy costs and looks forward to working with NJNG and the other utilities on Comfort Partners' electrification and decarbonization pilot program to ensure that the

pilot program offers multiple benefits to low-income participants.

Comment: Michael Winka argued that the Comfort Partners Program needs to be managed as a holistic clean energy program, or an “Existing Homes – Zero Energy Homes program,” rather than simply an EE program. Mr. Winka asserted that it should serve as a single point of entry for all the clean energy programs offered by the NJCEP, including highly efficient building upgrades, building electrification with heat pump equipment and induction stoves, EVs and charging, on-site solar, on-site battery storage, community solar, and smart building controls with grid-interactive efficient buildings technologies. Mr. further argued that, managed only as an EE program, Comfort Partners loses opportunities to reduce environmental and economic market barriers for low-income communities, reduce energy usage and cost, and transform the energy market sector. Furthermore, Mr. Winka claimed that the utilities cannot solely manage the program as a holistic clean energy program as they are unable to respond to changes in New Jersey clean energy policies or fully implement State clean energy policies. At a minimum, Mr. Winka said, the BPU should jointly manage the program in a manner that advances a holistic clean energy approach.

Response: Staff appreciates the commenter’s continued advocacy for the State, especially BPU, to advance more holistic clean energy approaches in its programs. Staff notes that the Whole House Pilot Program is currently in an early development stage in Trenton in establishing processes with Comfort Partners and local partner organizations to address health and safety barriers and implement EE for low-income program participants, while also pursuing electrification and exploring community solar for a subset of those participants. This pilot is one of BPU’s most recent efforts to incorporate multiple clean energy strategies through a single program. Staff looks forward to learning from the Whole House Pilot Program and applying lessons learned to continue to identify ways to design other more holistic programs.

Distributed Energy Resources

Fuel Cells and CHP

Comment: Fuel Cell Energy and the NE Chapter commented in support of Staff’s proposals regarding CHP and Microgrids, stating that CHP is efficient, reduces the cost of energy for all ratepayers, provides significant emissions reductions (including GHG emissions reductions) as compared to other sources of energy, and contributes to the resiliency of the electric grid.

Response: Staff appreciates the commenters’ support and, without necessarily agreeing with the entirety of each of their statements, agrees that CHP can play an important role in meeting the state’s EE and other energy goals.

Comment: Rate Counsel commented that to support the State’s GHG emissions reduction goals, the Board should eliminate incentives for fossil fuel CHP-FCs and, because the CHP-FC market is sufficiently mature, should eliminate all CHP-FC incentives.

Response: Staff will continue to consider Rate Counsel’s recommendations regarding elimination for fossil fuel CHP-FCs as Staff develop plans for future programs. Staff respectfully submits that its own experience with the relatively small number of CHP-FC participants in NJCEP indicate that the CHP-FC market is not yet sufficiently mature to thrive without government incentives.

Comment: Fuel Cell Energy commented that it supports Staff’s proposed budgets, especially as to CHP-FC. Fuel Cell Energy also suggested separately budgeting funds for CHP versus FC

because, it says, each technology provides distinct benefits and requires unique considerations.

Response: Staff appreciates the support. As to separating the budgets for the two (2) technologies, Staff respectfully submits that its present budgeting provides the Board and the public with the appropriate level of detail while also providing sufficient flexibility in implementing the program.

Comment: Rate Counsel commented that the Board should adopt siting requirements for CHP-FCs to ensure they are not sited in Overburdened Communities ("OBCs").

Response: Given the relatively small number of CHP-FCs being installed and, in most cases, their relatively small size, Staff respectfully submits that the siting requirements imposed by NJDEP, zoning laws, and other laws are sufficient to protect the OBCs vis-a-vis CHP-FCs.

Comment: Rate Counsel commented that the Board should revise upwards the CHP-FC Program's efficiency requirement for FCs from 40% to the same 60% required for CHPs.

Response: Several years ago, the Board determined that many FCs could not achieve an efficiency much greater than 40% but that the other benefits of the FCs, such as emission reductions and resiliency, made it appropriate to incentivize the FCs in the limited manner provided in the current TRC Compliance Filing. At present, Staff sees no reason to question or disturb that determination.

Microgrids

Comment: Rate Counsel noted that none of the FY23 budgeted funds for microgrids have been expended. Rate Counsel expressed concerns about whether the funding allocated to microgrids would yield any tangible benefits for ratepayers, given the July 2021 report commissioned by the Board and concluding that there are several "serious" legal and technical obstacles to the development of town center microgrids. The commenter also expressed concern about the potential for microgrids to create new emissions sources and other adverse impacts such as visual and noise pollution, especially in communities that are already burdened with disproportionate levels of pollution and other environmental harms. Rate Counsel suggested that if the Board pursues further evaluation of the Microgrid Program, such evaluation should include a thorough assessment of the potential adverse impact of microgrids, with a special focus on OBCs.

Response: Staff acknowledges that the balance of funds allocated to the Town Center Distributed Energy Resources ("TCDER") Phase II program were not expended in FY23. However, Staff did receive completed designs from three (3) of the awardees, and Staff is evaluating those designs. Staff recognizes that there are potential adverse effects from microgrids in addition to significant benefits, including resilience for critical facilities. Benefits and adverse effects were addressed as part of the TCDER Phase II program. Any potential expansion of the Microgrid Program will continue to address adverse impacts and benefits.

Renewable Energy Programs

Renewable Natural Gas and Green Hydrogen

Comment: EDF commented upon the proposal to fund a study of the potential use of renewable natural gas and/or green hydrogen as a way to reduce GHG emissions. Although biomethane

and hydrogen may play a role in New Jersey's energy system decarbonization efforts, the commenter cautioned that the Board should carefully assess the potential and limitations of each fuel, particularly with relation to the impact on OBCs. The commenter stated that not all biomethane is carbon neutral and that to be beneficial, the fuel must result in a net reduction in methane emissions; that is, biomethane production and use must not result in new or excess methane emissions relative to current waste management practices. With respect to hydrogen, the commenter believes that it has great potential to aid decarbonization efforts in "hard to abate" sectors such as steel and cement manufacture. However, EDF added that its calculations suggest that replacing fossil fuels with green hydrogen for home heating and road transportation takes 3-7 times more energy than direct electrification. The commenter also stated that to ensure hydrogen is truly "green," the BPU and other relevant New Jersey state agencies must implement a rigorous lifecycle emissions accounting framework with a wide system boundary.

Response: Staff appreciates the commenter's views on the advantages and disadvantages of biomethane and hydrogen as ways to reduce GHG emissions and contribute to clean energy initiatives. Staff will consider the comments when conducting the proposed study.

Solar Registration Program

Comment: Rate Counsel commented that the proposed materials failed to adequately support the \$80,000 increase in the budget for the Solar Registration Program.

Response: Staff respectfully submits that the Solar Registration Program's \$80,000 budget increase is relatively minuscule and appropriate; it is attributable to the high volume of registrations, the complexity of some of them, the work required to manage the transitions from the Solar Renewable Energy Credit Registration Program to the Transition Incentive Program and from the Transition Incentive Program to the Successor Solar Incentive Program, and inflation.

Comment: Michael Winka commented that the Solar Programs, the Energy Storage Program, and the DER Program should be merged into one single program to more holistically support building electrification and renewable energy.

Response: Staff appreciates this comment and strives to work across programs to ensure that the structure of the DCE is effective and efficient and allows the desired degree of holistic support while continuing to allow technology-specific programming where appropriate. Staff will remain open to considering opportunities to integrate programs.

Offshore Wind

Comment: Michael Winka indicated that the Board's work with the Rutgers Center for Ocean Observation Leadership ("RUCOOL") started in in 2003 and was formalized in 2008, which is contrary to the DCE compliance filing, which indicates that the work started in 2017.

Response: Staff thanks the commenter for recognizing that the relationship between the Board and RUCOOL began prior to 2017. The compliance filing is referencing the most recent work completed by RUCOOL specific to the development and implementation of their Weather Research and Forecasting, but Staff acknowledges that some of the development of the model began prior to 2017.

Comment: Rate Counsel indicates that the proposed Offshore Wind ("OSW") budget does not appear unreasonable on its face but believes that DCE should be directed to provide the basis

for the budgeted amounts, descriptions of the specific activities to be funded in the OSW budgets, the basis for the amount allocated to each activity, and any related memorandum of understanding ("MOU") to provide more transparency. Rate Counsel commented that the amount of information provided should be based on the development stage of the activity being funded.

Response: Staff appreciates Rate Counsel's comments. The budgeted amounts are based on previous expenditures for similar initiatives and Staff's experience and knowledge of the effort needed for each initiative. Staff believes that the descriptions of activities to be funded are clear and notes that further detail will be provided to the Board, Rate Counsel, and the public when Board approval to expend the funds is sought, at which time applicable MOUs will also be provided.

EDA Programs

Comment: Rate Counsel raised concerns regarding the use of ratepayer funds to support programs that are administered by EDA and feels that without more detail it is not clear whether the contributions to EDA programs are within the authority of the Board to mandate expenditures of funds collected from ratepayers.

Response: As indicated in the DCE Compliance Filing, the EDA programs funded through the NJCEP directly relate to the work being undertaken by BPU as it relates to the State's clean energy goals. The funding that supports these programs is based on MOU agreements between the BPU and EDA, which establish detailed reporting requirements. As EDA reports these expenditures to Staff, the commitments will be lowered accordingly on the NJCEP budget.

Comment: Rate Counsel commented on the amount allocated in uncommitted carryforward funding within the Clean Energy Manufacturing Fund and indicated their interest in the details on the loans and grants that were previously funded from this program.

Response: As indicated in the DCE Compliance Filing, the remaining loan and grants previously awarded through this program have been paid. The amount shown in FY24 for the Clean Manufacturing Fund reflects the balance of funding that EDA has returned to the Board, which will be reallocated during the FY24 True-Up Budget. Additional details and metrics on the Clean Energy Manufacturing Fund program are available on EDA's website.

Comment: Rate Counsel is concerned about the lack of detail relative to administrative and evaluation activities proposed to be funded through the NJ Wind budget line. Rate Counsel also noted that the MOUs referenced in the DCE Compliance Filing were not provided to stakeholders as part of this proceeding and that Rate Counsel has not been able to locate them.

Response: The MOUs referenced in the Compliance Filing provide further details for this program and will be uploaded to the Docket No. QO20080561. Staff apologizes that the documents were not previously uploaded to this docket.

Comment: Rate Counsel noted that the table on pages 34-35 of DCE's Compliance Filing indicated that \$624,694 of the proposed R&D Energy Tech Hub budget has been allocated for administration and \$11,869,180 has been allocated for training. However, Rate Counsel noted that DCE's description of this program indicates that the funds are for support of EDA's grant programs for research and development for early-stage New Jersey-based clean tech companies and for a new Clean Tech Pilot Demonstration Program. Rate Counsel also noted that it is generally opposed to the use of ratepayer funds for research and development, particularly when

ratepayer money will be provided to private entities that will earn profits and ratepayers receive no return on their investment on the development of these products. Rate Counsel also indicated that the MOUs with EDA mentioned in the description were not provided to stakeholders as part of this proceeding.

Response: The assigned budget cost categories in the referenced table are consistent with previous year breakouts and the proportional split is based on the terms established in the MOU. While cognizant of Rate Counsel's opposition to the use of ratepayer funds for R&D, Staff believes that through funding early stage research and development, ratepayers will benefit from clean tech companies and their products becoming commercially viable through increased tax revenues, job creation, and the contribution of these companies and their products to a clean energy future. The MOUs referenced in the Compliance Filing will be uploaded to Docket No. QO20080562. Staff apologizes that the documents were not previously uploaded to this docket.

Planning and Administration

Comment: Michael Winka commented that the outreach teams are doing a "great job" but that outreach should be conducted in a holistic, integrated manner, rather than its current "siloe'd" manner.

Response: Staff appreciates the support and will continue to work to ensure that the NJCEP's outreach is already conducted in a holistic, integrated manner and that Staff is continuously looking for areas of improvement in that regard.

Comment: Rate Counsel commented that BPU must be mindful not to duplicate services when performing EE evaluation studies because the utilities have their own similar budgets for these tasks. The commenter indicated that they will continue to coordinate with the BPU, the utilities, and the Statewide Evaluator to ensure the resources are used as efficiently as possible.

Response: Staff appreciates Rate Counsel's comments and does work closely with these stakeholders to ensure that the EE evaluation is thorough but efficient. Staff looks forward to continuing to engage with stakeholders to ensure this important work gets completed in a timely and efficient manner.

Comment: Rate Counsel questioned why \$700,000 in new funding for the Clean Energy conference was needed when over \$400,000 of committed carryover is available and there are utility and industry sponsors for the event. Noting that it appears that about \$300,000 was spent in FY23 on this conference and that most of the speakers were government employees, Rate Counsel, stated that the event does not directly benefit ratepayers and recommended that DCE provide a full itemization of these expenses as well as a comparison to industry-paid expenses.

Response: Upon further consideration, the new funding for the Conference budget line has been reallocated to Program Evaluation. The FY23 carryforward funding will be utilized to support any new costs associated with holding a conference during FY24. Since this adjustment has been made, Staff does not believe that the itemization and comparison requested by Rate Counsel are necessary.

Comment: Michael Winka commented that he supported the Whole House Pilot Program but believes its scope should be expanded.

Response: Staff appreciates the support and expects to consider recommending appropriate expansion if this initial pilot works well.

Comment: EEA-NJ expressed support for continued funding for the Whole House Pilot Program and requested that BPU provide regular updates on the progress of the program to stakeholders invested in how this program could scale, noting that they look forward to the completion of the pilot phase. EEA-NJ also commented that the program has potential to greatly improve residential lives in Trenton and that this need is present across the state.

Response: The Whole House Pilot Program has been working with PSE&G, CMC (PSE&G's Comfort Partners implementer in Trenton), and local partners (including Isles Inc. and Habitat for Humanity) to establish processes to work together and recruit participants to the program in Trenton. Staff looks forward to offering regular updates on the progress of the program as it ramps up and hopes that the results of the pilot will justify further expansion.

BPU Initiatives

Energy Storage

Comment: Rate Counsel noted that, in the past, DCE's plans for an Energy Storage Program have proved to be overly optimistic, and in the past three (3) FYs none of the approved budget were spent. Rate Counsel also noted that resolving the details of the storage program will not be a simple process and that the Straw Proposal issued in FY23 has caused Rate Counsel to question whether the proposed incentives are necessary in light of other available revenue sources and whether metrics exist for development of performance-based incentives and the monitoring of its effectiveness. Rate Counsel stated its belief that further details were needed to explain the amount of funding provided for this program in FY24. Lastly, Rate Counsel requested more information on a reference to funding for a possible State match of United States Department of Energy ("USDOE") funding.

Response: Staff acknowledges that the energy storage program has been slow to develop. However, the New Jersey Storage Incentive Program ("NJ SIP") Straw Proposal, issued in September 2022, was an important first step. Staff also notes the critical inclusion of storage in the CSI solicitation. Staff received comments from over 60 commenters and are in the process of developing a Request for Information ("RFI") to address several items noted by the commenters. Staff intends to issue the RFI in the 3rd Quarter ("Q3") of 2023. A Request for Quotations for an energy storage consultant was issued in the 2nd Quarter ("Q2") of 2023, and Staff expects a selected consultant to begin work in Q3 of 2023. In addition, Staff anticipates issuing a revised Straw Proposal in the 4th Quarter ("Q4") of 2023 and a Final NJ SIP in Q2 of 2024. In regard to the USDOE funding, this is for a 40101(d) grant that would focus on improving the resilience of the grid, especially at State facilities. The details of the resiliency efforts, including the locations, are still in the process of being developed by Staff with help from the BPU's sister agencies. The exact amount of funding needed is contingent on the State's award and thus cannot be known at this time. Staff looks forward to providing further details in the future.

Workforce Development

Comment: Dandelion Energy urged the BPU to further expand workforce development and work with the Division of Consumer Affairs and the NJDEP to implement license reciprocity with neighboring states and remove existing barriers to workforce growth, particularly with respect to the heat pump workforce. More specifically, Dandelion Energy noted that the State Board of

Examiners of Heating, Ventilation, Air Conditioning, and Refrigeration (“HVACR”) Contractors does not allow for license reciprocity for HVACR professionals from other states and that similar barriers exist for other license categories such as geothermal drillers. In particular, Dandelion Energy encouraged the BPU to work with other state agencies to align geothermal drilling license standards with national standards, establish functioning license reciprocity for HVACR and geothermal drillers with neighboring states, and update licensing requirements to give credit for out-of-state training and practical experience.

Response: Staff agrees that expanding New Jersey’s clean energy workforce is of critical importance. Staff sees an opportunity to examine the barriers noted by Dandelion Energy through the Clean Buildings Work Group, given the multiple State agencies participating in that effort, and is prepared to work collaboratively to explore solutions to addressing these barriers.

Comment: EEA-NJ expressed that they are encouraged to see BPU coordinating with the New Jersey Department of Labor and Workforce Development (“NJDOL”) to explore the potential establishment of State-funded workforce development initiatives that support employment and training services for individuals interested in clean buildings careers through competitive grants to community-based organizations in partnership with utility companies. EEA-NJ expressed support for recruitment of eligible participants from New Jersey’s OBCs to receive core employment and training services to facilitate entrance into the clean energy workforce. EEA-NJ urged BPU to expedite the process of growing the EE workforce as the current workforce retires without adequate replacements and new federal funding increases the need for more workers.

Response: Staff agrees that expanding New Jersey’s clean energy workforce is of critical importance and appreciates EEA-NJ’s support for State efforts in this area.

Comment: Robert Erickson called for BPU to develop and prototype a green jobs program to manufacturer millions of cold climate heat pumps in New Jersey by partnering with leading manufacturing companies and promoting factories in economically depressed areas. More specifically, Mr. Erickson recommended that the BPU increase the FY24 budget for the New Jersey EDA to attract HVAC manufacturing with a focus on cold climate heat pumps, as well as solar panels and cells. Mr. Erickson also suggested that New Jersey sponsor a joint discounted bulk cold climate heat pump purchase agreement on behalf of state, county, local, and school buildings and perhaps other entities to scale up cold climate heat pump volume in the state and potentially lower costs.

Response: Staff appreciates the suggestions and believes that these would be good topics of discussion for the Clean Buildings Working Group.

Comment: Rate Counsel expressed support for the inclusion of a limited workforce development program in DCE’s budget, insofar as it directly relates to EE. However, Rate Counsel expressed reservations about using ratepayer funds for workforce development, advising use of other funding sources, and stated that DCE should provide additional information on the Rutgers workforce development study and encouraged the Board to seek other sources of State and federal funding for workforce development.

Response: The Rutgers EE workforce equity study will provide a comprehensive understanding of the current composition of the EE workforce in New Jersey that will inform efforts to enable equitable access to education, training, and well-paying jobs as the sector expands. Overall, Staff has continued to propose a \$4.5 million budget for workforce development while facilitating discussions with the EE Workforce Development Working Group about what additional workforce

initiatives are needed to support job growth in EE and clean buildings and how best to design and fund these initiatives. Staff is hopeful that the discussions will lead to being able to leverage funding from the NJDOL for EE workforce development. At the same time, DCE is also assessing opportunities for competitive federal grants for workforce development.

Electric Vehicles

Comment: NJCAR provided comments that suggested that the law creating the Charge Up Program intended to provide \$300 million over 10 years to fund incentives. NJCAR suggested that the Board should “front-load” funding for the program into the earlier years of the program to ensure adequate EV adoption.

NJCAR also expressed concern that in FY23 the maximum incentive was lowered from \$5,000 to \$4,000 and then in FY24 the maximum incentive for vehicles with a manufacturer suggest retail price (“MSRP”) of over \$45,000 was lowered from \$2,000 to \$1,500. Additionally, the commenter referenced that Colorado lowered their incentive from \$5,000 to \$2,000 and saw a significant drop in adoption and suggested that due to that data New Jersey should not lower the Charge Up incentive.

NJCAR suggested that the administration and closure of the Charge Up Program was “haphazard” pointing to the quick closure time. In addition, the commenter suggested that the dwindling funding information was not available to the public.

Lastly, NJCAR suggested that the Charge Up Program should incentivize subscription car plans.

Response: Staff notes that the law creating the Charge Up Program requires: The Board shall provide no less than \$30 million in disbursements under the light duty plug-in electric vehicle incentive program established pursuant to section 4 of P.L.2019, c.362 (C.48:25-4) each year for 10 years. N.J.S.A. 48:25-7(d).

The Board must fund a minimum for \$30 million a year for 10 years and is thus unable to “front-load” funding as NJCAR suggests. In addition, Staff has looked at other state programs, including Colorado, and does not believe the small incremental reductions over the last 3 years are analogous to Colorado’s sixty 60 percent reduction. Staff also notes that analysis of the impact of reductions on both the longevity of funding and on total EV adoption are considered as part of their recommendations.

Staff and the program administrator (“CSE”) communicated the pending closure of the program at designated funding milestones. Those milestones did happen at accelerated intervals and notice was provided accordingly. In FY24, CSE will further refine the process to incorporate best practices, market conditions and lessons learned. In addition, the current funding available dashboard is updated in real time, often increasing and decreasing in minute-by-minute updates as orders and applications are submitted and withdrawn. The public is always encouraged to view the dashboard at chargeup.njcleanenergy.com.

Lastly, subscription services do not currently provide customers with a battery electric vehicle (“BEV”) under \$55,000 at all times. Until that threshold has been met, which is the legislative mandate of the program, incentives may not be utilized. Staff looks forward to continued discussions with NJCAR on this issue.

Comment: Isles Inc. expressed their support for the E-Mobility Pilots Program and indicated they would like to see continued funding for existing pilot programs, such as GOTrenton. The commenter stressed the important role these pilot programs serve in OBCs and recommended that the BPU prioritize this area when allocating funding.

Response: Staff thanks the commenter for their support. Since the funding that supports the GOTrenton Pilot Program comes from outside of the NJCEP budget process, Staff defers comment to the NJDEP. Staff agrees with the commenter regarding the importance of focusing on programs that benefit OBCs. The FY24 Budget continues to provide funding to support OBCs and address equitable access to the NJCEP's EV programs.

Comment: The Sierra Club suggested that the Board should increase funding to \$65 million for the Charge Up Program or commit to reallocating other unutilized clean energy funds to the program in order to avoid closure. Comments also suggested that the BPU should provide \$15 million in funding to the NJDEP for their EV School Bus Program.

Response: Staff recognizes the impact that additional funding would have on the program but also acknowledges that the NJCEP has numerous impactful programs and must balance funding requests from each of these programs. In order to meet the obligations of the EV Law and to expand upon the other EV programs, as well as the other Clean Energy Programs outlined in the FY24 budget, the \$30 million allocated is appropriate for this program.

Staff further defers comment on to the necessary funding for the NJDEP's EV School Bus Program to the NJDEP.

Comment: NJF provided comments in support of the E-mobility Pilot Programs and included information on the Colorado e-bike incentive programs.

Response: Staff thanks NJF for their comments and looks forward to building out the pilot programs in this area.

Comment: ChargeVC comments included a request to provide additional funding to the Charge Up Program to allow for a consistent program in FY24. Comments noted that the minimum legislatively mandated investment is \$30 million and that the Board could provide additional funding. Commenter suggested that the total budget for FY24 should be at least \$65 million.

Comments also recommended that the incentive should not be lowered and that the program did not provide evidence that lowering the incentive would not impact adoption. Comments referenced Colorado which lowered their incentive from \$5,000 to \$2,000 and saw a significant drop in adoption and suggested that due to that data New Jersey should not lower the Charge Up incentive.

The comments also indicated that the "stop-start" nature of the program was hindering adoption and requested additional funding to address this issue or to have prescribed windows of enrollment.

Comments also requested additional data; although, it did not note what data was being requested. The comments suggested increased transparency so the public could better understand the program.

ChargEVC also suggested that some had issues with the transactions and suggested an increase to the administrative budget to address them.

Comments were supportive of the E-Mobility Pilot Programs funding.

Lastly, ChargEVC suggested that the Charge Up Program should incentivize subscription car plans.

Response: Staff recognizes the impact that additional funding would have on the program but also acknowledges that the Clean Energy Program has numerous impactful programs and must balance funding requests from each of these programs. In order to meet the obligations of the EV Law and to expand upon the other EV programs, as well as the other Clean Energy Programs outlined in the FY24 budget, the \$30 million allocated is appropriate for this program.

In preparing recommendations, Staff and CSE looked at a variety of factors including the overall impact to EV adoption. In addition, Staff has looked at other state programs, including Colorado, and does not believe the small incremental reductions over the last three years is analogous to Colorado's sixty 60 percent reduction. The Board also notes that analysis of the impact of reductions on both the longevity of funding and on total EV adoption are considered as part of these recommendations. The program presented includes efforts by the Board to make the funding last as long as possible to address concerns about consistency.

Staff notes the current funding available dashboard is updated in real time, often increasing and decreasing in minute-by-minute updates as orders and applications are submitted and withdrawn. In addition, the incentive statistics offer downloaded data to analyze approved incentives by zip code, utility, legislative district, make, model and time of application. The public is always encouraged to view the dashboard at chargeup.njcleanenergy.com.

Staff and CSE are continually updating the website and working with stakeholders to address concerns. The current administrative budget is adequate to address those needs.

Staff notes and thanks ChargEVC for their support of the E-Mobility Pilot Programs, and Staff looks forward to building out the pilot program(s) in this area.

Lastly, subscription services do not currently provide customers with a BEV under \$55,000 at all times. Until that threshold has been met, which is the legislative mandate of the program, incentives may not be utilized. Staff looks forward to continued discussions on this issue.

Comment: Tesla provided comments requesting that the Board considering increasing funding to allow for a more consistent program throughout the year.

Comments also requested that the Board no longer allow the reservation of funds at the time of order and requested more time for showrooms to enter in order and sales data. In addition, Tesla requested the process be automated to allow for quicker data entry.

Tesla provided comments on the provision that the MSRP at the time of order must be the same as at the time of purchase. They suggested that this may result in customers not getting the best deal at the time of sale.

Response: Staff recognizes the impact that additional funding would have on the program but also acknowledges that the Clean Energy Program has numerous impactful programs and must

balance funding requests from each of these programs. In order to meet the obligations of the EV Law and to expand upon the other EV programs, as well as the other Clean Energy Programs outlined in the FY24 budget, the \$30 million allocated is appropriate for this program.

Staff and CSE are continually updating the website and working with stakeholders to address concerns. Currently, automated data entry as requested presents security concerns. In addition, Staff notes that the 14-day requirement for entry is to ensure that there is adequate funding for incentives. Long entry periods may mean the customers who would have received an incentive on the day they purchased are no longer eligible when the showroom tries to enter it on day 35. Staff considered several market factors when it came to creating the reservation process. New processes have also been implemented to provide greater transparency for customers. Staff believes the order reservation process allows customers to make informed decisions about the real cost of the vehicle they are ordering. However, Staff also understands that not all orders may be entered into the system, which is why the FY24 program requires the dealer or show room to provide notice if they will not enter the order into the system. This new step provides transparency to the customer, who will understand when the incentive will be applied and provides an option to showrooms or dealerships who are unable to consistently reserve funding for orders.

Lastly, the MSRP requirement addresses a series of questions that have come up this year, as customers fell in and out of eligibility. Staff believes the new process allows customers to make informed decisions about the real cost of the vehicle they are ordering. Staff also notes that this is only for those who reserve funding at the time of order.

Comment: The NJEVA had questions regarding the differing year-end totals on the website and in the Power Point presentation at the June 5 EV stakeholder meeting. NJEVA also suggested that additional funding should be provided to ensure the Charge Up Program ran for the entire fiscal year. The commenter suggested \$100 million in funding for the program. The commenter also suggested that the incentive caps be increased to \$5,000 and \$2,500 for the existing tiered structure. NJEVA suggested that the program be extended to 3-wheeled vehicles as well.

NJEVA also requested additional data. The comments suggested increased transparency so the public could better understand the program.

The commenter suggested that there were now federal funds for EVs and that funding should be dedicated to the Charge Up Program.

The comments suggested that the Residential Charger Incentive and EV Tourism Programs were "distractions" and their funding should be dedicated to the Charge Up Program.

Lastly, the commenter suggested that the utilities should be allowed to directly sell energy to customers rather than have the charging company be a third-party provider.

Response: As indicated in the presentation, the numbers listed include the projection of funds when all orders for FY22 and FY23 are complete and that the numbers indicated in FY22 and FY23 are for the full year of funding. The website statistics provides information on how many of the incentives have been paid out.

Staff recognizes the impact that additional funding would have on the program but also acknowledges that the Clean Energy Program has numerous impactful programs and must balance funding requests from each of these programs. In order to meet the obligations of the EV Law and to expand upon the other EV programs, as well as the other Clean Energy Programs outlined in the FY24 budget, the \$30 million allocated is appropriate for this program.

In preparing recommendations, Staff and CSE looked at a variety of factors including the overall impact to EV adoption. Staff also notes that analysis of the impact of reductions on both the longevity of funding and on total EV adoption are considered as part of recommendations.

Staff notes that given the current constraints of funding adding new vehicle eligibility would only quicken the closure of the program.

Staff notes the current funding available dashboard is updated in real time, often increasing and decreasing in a minute by minute updates as orders and applications are submitted and withdrawn. In addition, the incentive statistics offer downloaded data to analyze incentives by zip code, utility, legislative district, make, model and time of application. The public is always encouraged to view the dashboard at chargeup.njcleanenergy.com.

Staff believes that the EV Tourism Program is an important tool to reducing range anxiety and providing incentives for public charging. Additionally, the Board believes the Residential Charger Incentive Program encourages the use of networked chargers that can encourage managed charging which will mitigate impacts on the grid as adoption grows.

The current federal formula for EV funds are restricted to funding public chargers on designated Alternative Fuel Corridors. There are several pots of competitive funds; however, to date, none of them that have been released align with the goals of the Charge Up Program.

The EV Law specifically stated that EV charging is not the resale of electricity, and the Board has further clarified that utilities may not own and operate EV charging stations unless they are in areas of last resort.

Comment: Joanne Pannone suggested a desire to incentivize EV school buses.

Response: Staff defers comment on this program to the NJDEP.

Comment: Hyundai requested that the Board expand the Charge Up Program to subscription car services.

Response: Subscription services do not currently provide customers with a BEV under \$55,000 at all times. Until that threshold has been met, which is the legislative mandate of the program, incentives may not be utilized. Staff looks forward to continued discussions on this issue.

Comment: NJAA was supportive of the Multi-Unit Dwelling ("MUD") Program. The association appreciated the enhanced affordable housing addition. Comments expressed concern that networking and uptime requirements could decrease the benefit and impact of incentives.

Response: Staff thanks the commenter for their support and notes that the uptime requirements are the federal standard and that networked chargers are imperative to data collection requirements that will inform future rate setting.

Comment: Shivaram commented and asked when the Charge Up Program would open.

Response: The FY24 Charge Up Program will open after the start of the new fiscal year, which begins on July 1, 2023.

Comment: Robert Erickson suggested that the Board should identify existing funds to increase the Charge Up Program budget to ensure incentives are available throughout the year. Comments also suggested that the maximum MSRP of eligible vehicles be changed to \$40,000.

Response: Staff recognizes the impact that additional funding would have on the program but also acknowledges that the Clean Energy Program has numerous impactful programs and must balance funding requests from each of these programs. In order to meet the obligations of the EV Law and to expand upon the other EV programs, as well as the other Clean Energy Programs outlined in the FY24 budget, the \$30 million allocated is appropriate for this program.

Additionally, Staff notes that the MSRP eligibility criteria is established by legislation, which requires that eligible vehicles have an MSRP of \$55,000 or below.

Comment: Rate Counsel questioned why the NJCEP EV Programs do not include sources of funding other than rate-payer funds or identify other funds that could be used for the same purpose.

Rate Counsel's recommended reducing the maximum incentive to \$2,500 to purchase an EV with an MSRP up to \$45,000. Rate Counsel recommended eliminating the \$1,500 maximum incentive to purchase an EV with an MSRP between \$45,000 and \$55,000. Rate Counsel also suggested that with the growing popularity of EVs and the federal tax rebates, large incentives are not necessary and questioned if the current program includes many "free riders" who would also purchase without the Charge Up incentive.

Rate Counsel recommended eliminating the proposed Phase III charger incentive. In the alternative, if the Board adopts this incentive, Rate Counsel recommended limiting the incentive to multi-family housing residents, lower-income customers, and residents of OBCs. The commenter also suggested that home Level 2 charging was not necessary.

Rate Counsel did not oppose allowing EV dealerships more than 14-calendar days to file rebate requests after the sale or lease of an EV without risk of being unable to recoup the funds. Rate Counsel recommended requiring enhanced accounting controls and audits of the EV dealerships who request incentive rebates and not waiving any of the other conditions in the Straw Proposal upon EV dealerships' participation in the EV rebate program.

Lastly, Rate Counsel recommended eliminating the proposal to begin ratepayer subsidies of e-bikes and e-scooters.

Response: Staff notes that the draft budget documents are designed to outline how the FY24 Clean Energy budgets will address a variety of programs, including EV infrastructure investment and Charge Up. NJDEP and EDA also have EV programs that utilize other sources of funding. Staff shares Rate Counsel's concern about "free riders" in the program; however, in looking at other state programs while lowering the incentive cap may provide more incentives, lower incentives are more likely to only benefit "free riders," rather than encouraging new buyers who view the increased upfront costs as a barrier to adoption. Staff also notes that while the federal tax rebate does assist in addressing price parity, point of sale incentives are necessary for

moderate income buyers who cannot wait up to a year to receive a rebate. Additionally, Staff notes that the MSRP eligibility criteria is established by legislation, which requires that eligible vehicles have an MSRP of \$55,000 or below.

Staff points out that the residential charger incentives are not only designed to encourage the use of Level 2 chargers in homes but requires the purchase of networked chargers. These chargers will provide needed data to the Board to set appropriate rates to encourage managed charging. Level 1 charging cannot be managed or tracked, compounding unknown impacts to the grid. By encouraging networked Level 2 charging through this incentive, the Board is encouraging the infrastructure to appropriately manage the increased load on the grid that EVs present.

Staff notes that the 14-day requirement for application entry is to ensure that there is adequate funding for incentives. Long entry periods may mean the customers who would have received an incentive on the day they purchased are no longer eligible when the showroom tries to enter it on day 35. The shortened entry requirement aims to ensure that those who are counting on the incentive will receive it. The longer periods suggested would increase the likelihood that someone who purchased a vehicle while the program was open would not receive the incentive based on available funding.

Staff notes that the e-scooter and e-bike programs are included in a list of suggested pilot programs as a follow-up to the Board's e-Mobility report. These pilots will be aimed at providing needed electric transportation and transportation infrastructure to LMI populations. Staff also notes that while the budget allocates funding, programs would require future Board approval.

Comment: SWTCH Energy provided comments in support of the MUD Program.

Response: Staff thanks SWTCH Energy for their support.

Energy Bill Assistance

Comment: Rate Counsel commented on the \$21.8 million of committed FY23 carryover funding allocated from the FY24 Budget toward Energy Bill Assistance and whether the Board should consider if there is a need to devote additional ratepayer funds to eliminate customer arrearages when it would be more beneficial to LMI ratepayers to have their monthly utility bills reduced by allocating some or all of the \$21.8 million toward the USF Program, in order to avoid increased disconnection and maximize the benefits to ratepayers.

Response: As Rate Counsel stated in its comments, this allocation is committed carryover from the FY23 Budget. Approval of that allocation was based on an arrearage relief commitment to distressed customers carrying balances accrued during the pandemic. To change how the funding would be allocated at this time would be not keeping to the original commitment of funds. Staff expects this funding to prevent disconnections and restore service to customers who accrued arrearages during the pandemic and will be especially helpful to customers who are not eligible for the USF Program. The cost of the USF Program will be reviewed during the annual rate review period.

Community Energy Plan Grants

Comment: Michael Winka commented that NJCEP programs should report their completed projects monthly through a publicly available geographic information systems (“GIS”) because doing so would help to ensure that municipalities could fulfill their outreach obligations related to their Community Energy Plan (“CEP”) grants.

Response: Staff has not received similar input from any municipalities, and it respectfully submits that sufficient information regarding completed projects is readily available to the municipalities and the public. Staff nonetheless remains open to including GIS postings if there to be sufficient demand for the same.

Comment: Rate Counsel questioned why DCE would propose to more than double the budget for the CEP Grant Program (with carryover of \$2,574,034 from FY23 and \$3,000,000 in new funding) when \$820,000 in grants were awarded in FY22 but only \$365,000 out of the \$2,939,034 FY23 budget has been expended thus far. Rate Counsel also stated that DCE should provide details on the projects funded through the program, their expected benefits, and plans for spending the budgeted funds in FY24.

Response: Following the first successful year of the relaunched program, Staff proposed to carry over FY23 funds and add new FY24 funds in order to support a subsequent round of planning grants, as well as to potentially launch a first round of implementation grants under the CEP Grant Program, in partnership with Sustainable Jersey, if approved by the Board. Staff anticipates sustained interest in additional planning grants in FY24, as well as robust interest in funding to support implementation of the plans. Aside from one (1) awardee who declined the grant, the 45 remaining current awardees (all listed on the program web page) are in various stages of developing community energy plans that identify strategies to address climate change and build a sustainable energy future.

REVISIONS TO PROPOSED FY24 COMPLIANCE FILINGS AND PROPOSED FY24 BUDGET

Following the posting of the Proposed FY24 Compliance Filings and stakeholder comments received in regard to the Proposed FY24 Budget, these documents were revised as follows:

1. DCE Compliance Filing: The requirement for the MUD Program that all eligible chargers must be accessible to all residents and may be accessible to all visitors.
2. The \$700,000 in new funding for the Conference budget line has been reallocated to Program Evaluation due to sufficient carryforward funding being available to cover any FY24 expenses.

STAFF RECOMMENDATIONS

The FY24 Compliance Filings and Budgets set out in detail the rationale utilized by Staff and the program administrators to develop the Proposed FY24 Programs and Proposed FY24 Budget. Having reviewed and considered the comments regarding the FY24 Compliance Filings and Budgets, Staff recommends that the Board approve both the Proposed FY24 Compliance Filings and Proposed FY24 Budget and the process used to develop them.

DISCUSSION AND FINDINGS

Consistent with the Contract, Staff coordinated with the TRC Team regarding the Proposed FY24 Compliance Filings and Budgets, as well as the comments received on the same. The Proposed FY24 Compliance Filings and Budgets were distributed to the BPU listserv and posted on the NJCEP website. Staff accepted oral comments on the Proposed FY24 Compliance Filings and Budgets at a public hearing, solicited written comments from stakeholders and the public, and reviewed and considered these comments. Accordingly, the Board **HEREBY FINDS** that the processes utilized in developing the FY24 Compliance Filings and Budgets were appropriate and provided stakeholders and interested members of the public with notice and opportunity to comment on them.

The Board has reviewed the FY24 Compliance Filings and Budgets, written and oral comments submitted by stakeholders, and Staff's recommendations. The Board **HEREBY FINDS** that the FY24 Compliance Filings and Budgets will benefit customers and are consistent with the NJCEP's primary objectives of lowering energy bills, reducing demand for electricity, emitting fewer pollutants into the air, and creating jobs. Further, the programs reflected in the FY24 Compliance Filings and Budgets will provide environmental benefits, and are otherwise reasonable and appropriate. Therefore, the Board **HEREBY APPROVES** the FY24 Compliance Filings and Budgets.

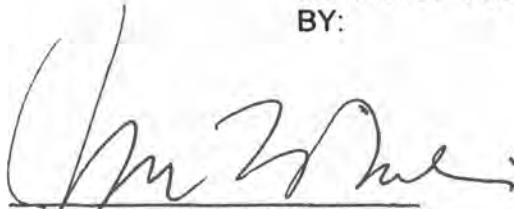
The Board **HEREBY DIRECTS** Staff to work with the Program Administrator to update relevant program documents, such as applications and program manuals, and to take the necessary steps to implement the programs and changes ordered herein, including but not limited to, the provision of adequate notice of such changes.

The budgets approved herein are based on estimated FY23 expenses and once final FY23 expenses are known, are subject to "true up" in a future Order(s). For example, if actual FY23 expenses are less than the estimated expenses for any program, then the unspent amount will carry over into FY24. To the extent that FY24 budgets approved herein are below FY24 expenses due to actual FY23 expenses being less than estimated FY23 expenses, the Board **HEREBY AUTHORIZES** the Fiscal Office to pay all invoices for approved program expenses during FY24. Pursuant to its authority under N.J.S.A. 48:2-40 and as required, the Board may reopen this matter and adjust the FY24 budgets. Any such adjustments will be considered by the Board and memorialized in a separate Order. The budgets approved herein are contingent on appropriations by the Legislature and subject to State appropriations law.

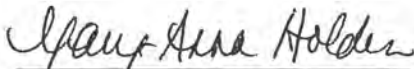
This Order shall be effective on June 29, 2023.

DATED: June 29, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER




DR. ZENON CHRISTODOULOU
COMMISSIONER



CHRISTINE GUHL-SADOVY
COMMISSIONER

ATTEST:



SHERRIL L. GOLDEN
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR
2024

DOCKET NO. QO23040236

SERVICE LIST

<p><u>New Jersey Division of Rate Counsel</u></p> <p>Brian O. Lipman, Esq., Director 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625-0003 blipman@rpa.nj.gov</p> <p><u>TRC Energy Solutions</u></p> <p>317 George Street, Suite 520 New Brunswick, NJ 08901</p> <p>Michael Ambrosio mambrosio@trccompanies.com</p> <p>Thomas A. Kowalczyk tkowalczyk@trccompanies.com</p> <p><u>New Jersey Division of Law</u></p> <p>Department of Law & Public Safety Division of Law 25 Market Street P.O. Box 112 Trenton, NJ 08625-0112</p> <p>David Apy, Assistant Attorney General david.apy@law.njoag.gov</p> <p>Daren Eppley, Section Chief, DAG daren.eppley@law.njoag.gov</p> <p>Pamela Owen, Assistant Section Chief, DAG pamela.owen@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p> <p><u>Atlantic City Electric Company</u></p> <p>500 N. Wakefield Drive Newark, DE 19714</p>	<p><u>New Jersey Board of Public Utilities</u></p> <p>44 South Clinton Avenue, 1st Floor P.O. Box 350 Trenton, NJ 08625-0350</p> <p>Sherri L. Golden, Secretary of the Board board.secretary@bpu.nj.gov</p> <p>Robert Brabston, Esq., Executive Director robert.brabston@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p>Taryn Boland, Chief of Staff taryn.boland@bpu.nj.gov</p> <p>Curtis Elvin, Chief Fiscal Officer curtis.elvin@bpu.nj.gov</p> <p><u>Division of Clean Energy</u></p> <p>Kelly Mooij, Director kelly.mooij@bpu.nj.gov</p> <p>Stacy Ho Richardson, Deputy Director stacy.richardson@bpu.nj.gov</p> <p>Matthew Rossi Clean Energy Budget Policy Manager matthew.rossi@bpu.nj.gov</p> <p>Judith Augustin, Budget Analyst 2 judith.augustin@bpu.nj.gov</p> <p><u>Counsel's Office</u></p> <p>Michael Beck, General Counsel michael.beck@bpu.nj.gov</p> <p>Rachel Boylan, Senior Legal Specialist rachel.boylan@bpu.nj.gov</p>
---	--

<p>Philip J. Passanante, Esq. philip.passanante@pepcoholdings.com</p> <p>Marisa Slaten, Esq. marisa.slaten@exeloncorp.com</p> <p>Heather Hall heather.hall@pepcoholdings.com</p> <p><u>Elizabethtown Gas Company</u></p> <p>520 Green Lane Union, NJ 07083</p> <p>Thomas Kaufmann tkaufmann@sjindustries.com</p> <p>Susan Potanovich spotanovich@sjindustries.com</p> <p>Gina O'Donnell godonnell@sjindustries.com</p> <p>Dominick DiRocci, Esq., Vice President, Rates & Regulatory Affairs Regulatory Affairs Counsel ddirocci@sjindustries.com</p> <p><u>South Jersey Gas Company</u></p> <p>1 South Jersey Place Atlantic City, NJ 08401</p> <p>Steven R. Cocchi, Esq. socchi@sjindustries.com</p> <p>Karen J. Crispin, Senior Rate Analyst kcrispin@sjindustries.com</p> <p>Carolyn A. Jacobs, Regulatory Compliance Specialist cjacobs@sjindustries.com</p> <p><u>Rockland Electric Company</u></p> <p>4 Irving Place Room 1815-S New York, New York 10003</p> <p>Margaret Comes, Esq., Associate Counsel comesm@coned.com</p>	<p><u>Jersey Central Power & Light Company</u></p> <p>300 Madison Avenue Morristown, NJ 07962</p> <p>Tori Giesler, Esq. tgiesler@firstenergy.com</p> <p>Mark Mader Director, Rates & Regulatory Affairs – NJ mamader@firstenergycorp.com</p> <p>Tom Donadio tdonadio@firstenergycorp.com</p> <p>James O'Toole jotoole@firstenergycorp.com</p> <p>Kurt Turosky kturosky@firstenergycorp.com</p> <p>Kent Hatt khatt@firstenergycorp.com</p> <p>Lori Brightbill llbrightbill@firstenergycorp.com</p> <p>Lauren Lepkoski, Esq. First Energy Group 2800 Pottsville Pike Post Office 16001 Reading, PA 19612-6001 llepkoski@firstenergycorp.com</p> <p><u>New Jersey Natural Gas Company</u></p> <p>1415 Wyckoff Road PO Box 1464 Wall, NJ 07719</p> <p>Andrew Dembia, Esq. Regulatory Affairs Counsel adembia@njng.com</p> <p>Anne-Marie Peracchio Director, Conservation and Clean Energy Policy aperacchio@njng.com</p> <p><u>Public Service Electric and Gas Company</u></p>
---	--

<p>John Carley, Esq. Associate General Counsel carleyj@coned.com</p> <p>Orange & Rockland Utilities, Inc. 390 West Route 59 Spring Valley, NY 10977</p> <p>Charmaine Cigliano Section Manager Customer Energy Services ciglianoc@oru.com</p> <p>Donald Kennedy Director Customer Energy Services kennedyd@oru.com</p>	<p>PSEG Services Corporation 80 Park Plaza, T5 PO Box 570 Newark, NJ 07102 Matthew M. Weissman, Esq. General State Regulatory Counsel matthew.weissman@pseg.com</p> <p>Stacey Barnes, Esq. stacey.barnes@pseg.com</p> <p>Caitlyn White Regulatory Case Coordinator caitlyn.white@pseg.com</p> <p>Michele Falcao Regulatory Filings Supervisor michele.falcao@pseg.com</p> <p>Bernard Smalls bernard.smalls@pseg.com</p>
---	--

New Jersey Clean Energy Program – Fiscal Year 2024 Budget*

<i>FY24 Program/Budget Line</i>	<i>FY24 New Funding</i>	<i>FY23 Estimated Uncommitted Carryforward</i>	<i>FY23 Estimated Committed Carryforward</i>	<i>FY24 Budget</i>
Total NJCEP + State Initiatives	344,665,000	38,087,454	277,356,387	660,108,841
State Energy Initiatives	71,200,000	0	0	71,200,000
Total NJCEP	273,465,000	38,087,454	277,356,387	588,908,841
Energy Efficiency Programs	140,926,128	14,568,263	140,727,661	296,222,053
<i>Res Low Income (Comfort Partners)</i>	56,978,000	0	0	56,978,000
Comfort Partners	56,978,000	0	0	56,978,000
C&I EE Programs	40,123,730	0	43,094,120	83,217,851
C&I Buildings	35,447,006	0	40,841,149	76,288,155
LGEA	3,969,300	0	1,392,742	5,362,042
DI	707,424	0	860,229	1,567,654
New Construction Programs	40,204,398	0	20,367,213	60,571,611
New Construction	40,204,398	0	20,367,213	60,571,611
Energy Efficiency Transition	20,000	14,568,263	0	14,588,263
State Facilities Initiative	3,600,000	0	57,997,550	61,597,550
Acoustical Testing Pilot	0	0	3,281,880	3,281,880
LED Streetlights Replacement	0	0	15,986,898	15,986,898
Distributed Energy Resources	7,517,135	0	12,663,026	20,180,161
CHP - FC	7,017,135	0	10,975,526	17,992,661
Microgrids	500,000	0	1,687,500	2,187,500
RE Programs	12,538,670	0	11,356,584	23,895,254
Offshore Wind	9,050,000	0	11,356,584	20,406,584
Solar Registration	3,488,670	0	0	3,488,670
EDA Programs	16,000,000	17,228	21,894,816	37,912,044
Clean Energy Manufacturing Fund	0	17,228	0	17,228
NJ Wind	10,000,000	0	15,400,942	25,400,942
R&D Energy Tech Hub	6,000,000	0	6,493,874	12,493,874
Planning and Administration	24,983,066	23,501,963	19,608,369	68,093,398
BPU Program Administration	5,585,000	0	0	5,585,000
Marketing	4,242,519	3,757,481	4,262,234	12,262,234
CEP Website	1,000,000	0	500,000	1,500,000
Program Evaluation/Analysis	8,825,547	19,744,482	13,784,523	42,354,552
Outreach and Education	5,200,000	0	1,024,889	6,224,889
Sustainable Jersey	725,000	0	164,000	889,000
NJIT Learning Center	700,000	0	455,632	1,155,632
Conference	0	0	405,257	405,257
Outreach, Website, Other	3,775,000	0	0	3,775,000

Memberships	130,000	0	36,723	166,723
BPU Initiatives	71,500,000	0	71,105,931	142,605,931
Community Energy Grants	3,000,000	0	2,574,034	5,574,034
Storage	2,000,000	0	22,000,000	24,000,000
Heat Island Pilot	0	0	2,500,000	2,500,000
Electric Vehicle Program	66,500,000	0	17,700,000	84,200,000
Plug In EV Incentive Fund	30,000,000	0	1,700,000	31,700,000
CUNJ Administrative Fund	1,000,000	0	2,000,000	3,000,000
CUNJ Residential Charger Incentive	0	0	4,500,000	4,500,000
EV Studies, Pilots, and Administrative Support	0	0	3,000,000	3,000,000
State Vehicle Fleet	2,500,000	0	3,500,000	6,000,000
Local Clean Fleet	4,000,000	0	2,000,000	6,000,000
Multi-Unit Dwellings (Chargers)	15,000,000	0	0	15,000,000
EV Tourism	7,000,000	0	1,000,000	8,000,000
E-Mobility Pilot Programs	7,000,000	0	0	7,000,000
Energy Bill Assistance	0	0	21,831,897	21,831,897
Workforce Development	0	0	4,500,000	4,500,000

*Numbers presented in the above table may not add up precisely to totals provided due to rounding.

New Jersey's Clean Energy Program™

FISCAL YEAR 2024 PROGRAM DESCRIPTIONS AND BUDGETS



DIVISION OF CLEAN ENERGY

**Renewable Energy Programs,
Energy Efficiency Programs,
Distributed Energy Resources,
and NJCEP Administration
Activities**

June 29, 2023

Table of Contents

Introduction	4
EMP Strategy 1: Reduce Energy Consumption and Emissions from the Transportation Sector	5
Electric Vehicles	5
EV Studies, Pilots, and Administrative Support	5
Clean Fleet Electric Vehicle Incentive Program	5
State Vehicle Clean Fleet Program.....	5
Local Clean Fleet Program.....	6
Multi-Unit Dwellings (Chargers)	7
EV Tourism.....	8
E-Mobility Pilot Programs.....	8
EMP Strategy 2: Accelerate Deployment of Renewable Energy and Distributed Energy Resources.....	9
Renewable Energy Program	9
Offshore Wind Program	9
Solar.....	13
Community Solar	15
Energy Storage	16
Grid Modernization.....	16
EMP Strategy 3: Maximize Energy Efficiency and Conservation and Reduce Peak Demand.....	17
Energy Efficiency Programs	17
Energy Efficiency Program Transition.....	17
Acoustical Testing Pilot.....	18
LED Streetlights Replacement.....	18
Sustainable Jersey	19
New Jersey Institute of Technology	19
Rutgers Center for Green Building.....	19
Benchmarking	20
EMP Strategy 4: Reduce Energy Consumption and Emissions from the Building Sector	20
State Facilities Initiative.....	21
EMP Strategy 5: Decarbonize and Modernize New Jersey's Energy System.....	22
Microgrids.....	23
EMP Strategy 6: Support Community Energy Planning and Action with an Emphasis on Encouraging and Supporting Participation by Low- and Moderate-Income and Environmental Justice Communities.....	24
Whole House Pilot Program.....	24
Community Energy Plan Grant.....	25

EMP Strategy 7: Expand the Clean Energy Innovation Economy.....	25
Economic Development Authority	26
Clean Energy Manufacturing Fund	26
R&D Energy Tech Hub	26
Multiple EMP Strategies and All Other Programs.....	26
Planning and Administration.....	27
BPU Program Administration	27
Marketing	28
Clean Energy Program Website.....	28
Program Evaluation/Analysis	29
Energy Efficiency	29
Energy Master Plan Ratepayer Impact Study	30
Rutgers University Facilitation of Dual Use Solar Pilot	30
Outreach and Education.....	30
Clean Energy Conference.....	31
Memberships.....	31
BPU Initiatives.....	31
Heat Island Pilot	31
Energy Bill Assistance.....	31
Workforce Development.....	32
Fiscal Year 2024 Program Budgets.....	34

Introduction

On January 27, 2020, the 2019 Energy Master Plan (“EMP”)¹ was unveiled following extensive research, review, and stakeholder input. The EMP outlines seven key strategies to achieve 100% clean energy by 2050: reduce energy consumption and emissions from the transportation sector; accelerate deployment of renewable energy and distributed energy resources; maximize energy efficiency and conservation and reduce peak demand; reduce energy consumption and emissions from the building sector; decarbonize and modernize New Jersey’s energy system; support community energy planning and action in underserved communities; and expand the clean energy innovation economy. With the adoption of Executive Orders 315 (“EO 315”), 316 (“EO 316”), and 317 (“EO 317”), the State has accelerated the goal to reach 100% clean energy by 2035.² The 2024 EMP will reflect New Jersey’s updated climate goals and the impacts of recent state and federal policies in advancing New Jersey’s clean energy goals.

As the lead State agency tasked with the development and implementation of the 2019 EMP, the New Jersey Board of Public Utilities (“BPU” or the “Board”) and its Division of Clean Energy (“DCE”), through the New Jersey Clean Energy Program (“NJCEP”) budget, provides funding to many of the core programs that address the seven key EMP strategies. The Fiscal Year 2024 (“FY24”) Compliance Filing provides program descriptions and budgets for the NJCEP.

The NJCEP is a signature initiative of the BPU that promotes increased energy efficiency (“EE”); the use of clean, renewable sources of energy, including solar and wind (“RE”); and distributed energy resources (“DER”). The results for New Jersey are a stronger economy, less pollution, lower costs, and reduced demand for electricity and natural gas. The NJCEP offers financial incentives, programs, and services for residential, commercial, and governmental customers.

Additionally, in fiscal year 2021 (“FY21”), the Office of Clean Energy Equity (“OCEE”) was added to the DCE. The OCEE oversees the development and implementation of clean energy policies, technologies, and programs, including workforce development and EE programs, to better serve New Jersey’s overburdened communities (“OBCs”) and to ensure equitable participation in clean energy programs and distribution of related benefits. Working with other BPU teams, the OCEE is ensuring that programs are developed and implemented through an equity lens, while leveraging the many existing DCE programs that aim to serve OBCs.

¹ New Jersey Board of Public Utilities, *2019 New Jersey Energy Master Plan: Pathway to 2050*, available at https://nj.gov/bpu/pdf/publicnotice/NJBPU_EMP.pdf.

² *Exec. Order No. 315, 316, and 317* (Feb. 15, 2023).

EMP Strategy 1: Reduce Energy Consumption and Emissions from the Transportation Sector

This strategy centers its attention on decarbonizing the transportation sector through vehicle electrification, reducing vehicle miles traveled, and lowering port and airport emissions. To support electric vehicle (“EV”) adoption, several key NJCEP programs have been created through Board action to provide incentives to individuals and local and State government agencies to offset a portion of the upfront costs of purchasing EVs. In addition to the \$30 million annual appropriation, described in detail in the Charge Up New Jersey Compliance Filing, the below programs will receive funding to support the BPU’s continuing efforts to electrify transportation.

Electric Vehicles

EV Studies, Pilots, and Administrative Support

The transition to electrified transportation will take considerable effort and will require new skill sets and studies in order to ensure we are creating an equitable, accessible EV ecosystem. This funding will allow for support for the BPU’s EV EcoSystem plans. Included in this funding is the FY22 proposal to undergo an EV Grid Assessment to better understand the impacts that EV charging will have on the grid and the necessary investments that must be made to build out a comprehensive EV EcoSystem. In addition, BPU Staff (“Staff”) proposes to use these funds to address the need to aggregate the data from charging stations funded by State and utility incentive programs to create an EV incentive portal for the State of New Jersey and provide administrative support for EVs and EV charging incentives.

Clean Fleet Electric Vehicle Incentive Program

In FY20 and FY21, the BPU utilized U.S. Department of Energy (“USDOE”) funds for a pilot program to incentivize EV adoption in local and State government fleets, referred to as the Clean Fleet Electric Vehicle Incentive Program (“Clean Fleet Program”). In FY22, the program was funded by both Societal Benefits Charge (“SBC”) and State General Fund appropriations. The primary goal of the Clean Fleet Program is to improve New Jersey’s air quality and assist local and State government authorities’ transition to electrically-fueled fleets.

State Vehicle Clean Fleet Program

The EV Act (L. 2019, c. 362) established goals to encourage the electrification of the State’s non-emergency light-duty fleet vehicles. The EV Act calls for at least 25 percent of the fleet to be plug-in EVs by 2025 and 100 percent by 2035. Additionally, EMP Goal 1.1.5 seeks to convert the State’s light-duty fleet to EVs. To achieve these goals, the BPU will continue the program in FY23 to assist in funding the increased up-front costs associated with the adoption of light-duty EVs for the State’s fleets. By making the switch to EVs, fleets can realize the benefits of decreased fueling and maintenance costs while also decreasing their

emissions and acting as a role model for local residents.

Local Clean Fleet Program

The original iteration of the local clean fleet program launched on December 1, 2019, and has, to date, assisted more than 40 government entities to purchase a battery vehicle and/or charging equipment.

As this program directly impacts the goals set forth in the EV Act, specifically promoting EV adoption in State and local government fleets, the Clean Fleet Program will continue in FY23 under the NJCEP. Eligible entities for this incentive will be municipalities, local schools, municipal commissions, State agencies or boards, State commissions, State universities, community colleges, and county authorities.

Through a rolling application process, applicants may apply for a \$4,000 incentive for up to 10 light-duty battery EVs, as well as incentives for EV chargers for local and county entities. State entities will be eligible for up to 20 light-duty battery EVs and up to 10 EV chargers. Applicants may receive \$5,000 per public charger (up to the cost of the charger), \$4,000 per fleet chargers (up to the cost of the charger), and \$50,000 (up to the cost of the charger) for a Direct Current Fast Charger ("DCFC"). In addition, an incentive of up to 50% of the cost of the Make-ready for fleet chargers, up to \$5,000 of the cost of the Make-ready for level 2 chargers, and up to \$50,000 of that cost for DCFCs is available. In FY24, the Clean Fleet Program will be extended to non-profit organizations and will add a \$10,000 incentive for light-duty Class 2B – 6 vehicles for all eligible entities.

The number of vehicles and chargers that an entity is eligible for will be determined by population size of the government the entity serves. Grants will be reviewed by Staff, assessed, and awarded on a rolling basis contingent upon program funding, with priority given to applicants who would be adding their first EV to their fleet. Eligible applicants who are in an overburdened municipality ("OBM"), as defined by the OCEE, are eligible for a 50 percent bonus, to be provided as either an additional incentive amount or eligibility for additional chargers and vehicles.

Awards shall be in the form of a reimbursement, based on proof of purchase of a new eligible battery EV and/or charging equipment. All applicants must complete all required forms within the deadlines as prescribed by the BPU or Program administrator. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. Vehicles and chargers may be ordered prior to award approval but may not be purchased prior to submitting an application. The vehicle listed on the application is required to be the same year, make, and model listed on the Grant Reimbursement Form. Eligible vehicle(s) must be purchased and received in order to submit for reimbursement.

All charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act, and a networked dual-port charger that is on a network pre-approved by

the State. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. The Clean Fleet incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement. The Clean Fleet charger incentive may not be stacked with the New Jersey Department of Environmental Protection's ("NJDEP") It Pay\$ to Plug In Program for the same charger.

Multi-Unit Dwellings

Recognizing that one of the major obstacles to EV adoption is the inability to charge at residences and acknowledging that residents of low-income and OBCs are more often impacted by this obstacle, the Board created the Multi-Unit Dwelling ("MUD") EV Charger Incentive Program in 2021. The EV Act calls for at least 15 percent of all MUDs to have EV chargers by December 2025. In addition, EMP Goal 1.1.2 calls for the State to focus on the best ways to deploy charging infrastructure throughout the state. Utilizing legislatively appropriated funds in FY22, the program provided incentives for 757 chargers, funded with \$5,256,500 and in FY23, thus far, over \$1.5 million was committed to fund approximately 348 chargers.

The incentive provides \$4,000 for the cost of a Level 2 charger (up to the cost of the charger); maximum awards are based on the size of the development. Eligible chargers must be accessible to all residents and may be accessible to all visitors. All charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act, and a networked dual-port charger that is on a network pre-approved by the State. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. The MUD incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement. The MUD incentive may not be stacked with the New Jersey Department of Environmental Protection's ("NJDEP") It Pay\$ to Plug In Program for the same charger.

Eligible entities include apartments, condominiums, and mixed residential locations that feature a minimum of five units and have dedicated off-street parking.

Awards shall be in the form of a reimbursement, based on proof of purchase of charging equipment. All applicants must complete all required forms within the deadline as prescribed by the BPU or Program administrator. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. Vehicles and chargers may be ordered prior to award approval but may not be purchased prior to submitting an application.

Grants will be reviewed by Staff, assessed, and awarded on a rolling basis contingent upon program funding. Eligible applicants who are in an OBM, are eligible for a 50 percent bonus. For eligible applicants that are deed restricted, 100% affordable (low - and moderate-income) housing may also be eligible for a 50 percent bonus. Applicants may only receive one bonus.

EV Tourism

Range anxiety continues to be an obstacle to EV adoption, as many people are concerned that an EV will hinder their ability to take longer trips. In furtherance of EMP Goal 1.1.2, which examines ways to deploy charging infrastructure throughout the state, the Board's EV Tourism Program was designed to encourage the building of more corridor and community chargers throughout New Jersey, reducing range anxiety for our residents and encouraging EV-driving tourists to choose New Jersey as their tourism destination. In addition, the EV Act calls for at least 20 percent of franchised locations to have EV chargers by December 2025.

The program provides \$5,000 for the cost of a Level 2 charger (up to the cost of the charger) for up to six chargers per site or \$50,000 for the cost of a fast charger (up to the cost of the charger) for up to two chargers per site. All charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act, and be a networked dual-port charger that is on a network pre-approved by the State. The EV Tourism incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement. The EV Tourism incentive may not be stacked with the NJDEP's It Pay\$ to Plug In Program for the same charger.

Grants will be reviewed by Staff, assessed, and awarded contingent upon program funding, with priority given to applicants who would be adding their first charger to their location. Eligible applicants who are in an OBM, are eligible for a 50 percent bonus.

Awards shall be in the form of a reimbursement, based on proof of purchase of a new eligible battery EV and/or charging equipment. All applicants must complete all required forms within the deadlines as prescribed by the BPU or Program administrator. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. Vehicles and chargers may be ordered prior to award approval but may not be purchased prior to submitting an application.

E-Mobility Pilot Programs

In addition to moving towards zero emissions cars, the EMP calls for an overall reduction in vehicle miles traveled ("VMT") across the state, thus, reducing emissions overall and easing congestion, which often leads to concentrated emissions in more densely populated areas.

One way to effectuate this change is to provide alternatives to personal cars as a mode of transportation. In 2022, the BPU prepared a report on e-mobility that presented several options that would help to address mobility deserts in low-income areas and which e-mobility options would be most impactful.

The DCE will use the findings of that report to inform Pilot programs to encourage e-mobility options in FY24. One such Pilot program would be an electric bicycle ("e-bike") incentive program. E-bikes are becoming more widely adopted by governments and people who want affordable transportation options that reduce their carbon footprint, while completing

essential commutes and errands. The intent of the program would be to encourage the purchase of new eligible class one and class two e-bikes, as designated by the State. Getting more e-bikes on roads will afford New Jersey a unique opportunity to reduce VMT in automobiles, help to improve public health – particularly in densely populated areas of the state, and contribute to reducing transportation emissions.

In addition Staff will look at other pilot proposals included in the report that encourage e-mobility, some options outlined in the report were community ride-share charging hubs and additional residential home charging incentives for ride-share drivers who have an EV.

EMP Strategy 2: Accelerate Deployment of Renewable Energy and Distributed Energy Resources

This strategy seeks to address the State’s efforts to accelerate the deployment of renewable energy (“RE”) and distributed energy resources (“DERs”). Two key components of this strategy are to maximize the development of offshore wind (“OSW”) and solar energy. As part of the NJCEP, the BPU is tasked with overseeing the OSW and solar programs that will help the State achieve Governor’s Murphy’s clean energy goals in the most equitable, cost-effective, and efficient ways.

Renewable Energy Programs

Offshore Wind Program

Executive Order 8³ called upon all State agencies with responsibility under the Offshore Wind Economic Development Act (“OWEDA”) (statute amending L. 2007, c. 340 and L. 1999, c. 23) to work collaboratively towards achieving the goal of 3,500 MW of OSW by 2030 and to establish a vibrant offshore wind market in New Jersey and in the region. Executive Order 92, to support the furthering of a vibrant offshore wind industry, increased the goal to 7,500 MW by 2035, which is consistent with EMP Goal 2.2. In September 2022, Executive Order 307 further increased the OSW goal to 11,000 MW by 2040. In November 2022, a solicitation schedule was announced laying out how New Jersey expects to meet the new goal.

In September 2018, the Board announced the opening of a competitive solicitation for 1,100 MW, at the time the largest single state solicitation in the nation and a framework for future solicitations. A Request for Quotation (“RFQ”) was also issued in FY19 for an OSW economic consultant to assist in the review and evaluation of the applications received in response to the first solicitation, consistent with OWEDA. The consultant’s scope was to evaluate the technical feasibility of proposals, the energy producing capacity underlying project economic performance, energy pricing, cost/benefit analysis, job creation, project financing, and the public subsidy requested. The Board awarded a contract in FY19, with costs to be recovered through the OSW applicants’ application fees, as allowed under OWEDA.

³ Exec. Order No. 8 (Jan. 31, 2018).

The first OSW competitive solicitation resulted in applications from three experienced OSW developers that represent multi-billion-dollar investments and hundreds of clean energy jobs for New Jersey. On June 21, 2019, the Board unanimously approved the 1,100 MW Ocean Wind Project to be developed 15 miles off the coast of Atlantic City before 2024 and projected to power an estimated 500,000 homes.

In FY19, the Board retained a consultant for the Offshore Wind Strategic Plan for a two-year term. The Offshore Wind Strategic Plan was started in August 2018 and includes establishing the framework for moving forward in consultation with stakeholders and strategic partners. The draft strategic plan was issued for public comment in the 5th Quarter ("Q5") of FY20⁴ and was adopted by the Board and released to the public in September 2020.

On February 28, 2020, the Governor announced a planned solicitation schedule for the full 7,500 MW goal for 2035 to provide transparency to the industry and to show commitment to the development of wind in New Jersey. The solicitation schedule also allows for flexibility to make adjustments to the schedule to capture the best benefits for citizens of the State on issues of cost, development of transmission, supply chain establishment, federal tax credits, and more.

An RFQ for an OSW economic consultant was issued in FY20 for the development of the second OSW solicitation and the review and evaluation of OSW project proposals consistent with OWEDA. The review and evaluation again included evaluating the technical feasibility of proposals, the energy producing capacity underlying project economic performance, energy pricing, cost/benefit analysis, job creation, project financing, and the public subsidy requested. The Board awarded a contract in FY20, with a significant portion of the costs to be recovered through the OSW applicants' application fees, as allowed under OWEDA.

In September 2020, a second solicitation was issued for 1,200 to 2,400 MW of OSW ("Solicitation Two"). Evaluation of applications received from two developers in December 2020 resulted in the Board awarding two projects totaling 2,658 MW in June 2021.

Also, in 2020, the Board requested that PJM Interconnection LLC ("PJM") include the State's OSW goal in its regional transmission expansion planning under a PJM process known as the State Agreement Approach ("SAA"). The Board also issued an RFQ for a consultant to assist Staff with the SAA process, and a contract was awarded to a qualified consultant.

PJM issued a solicitation for OSW transmission solutions on behalf of the Board in April 2021, with proposals received in September 2021. Proposals were received for eighty (80) projects from thirteen OSW transmission developers. In October 2022, after a review and evaluation period of more than one year by Staff, the consultant, and PJM, the Board awarded a suite of coordinated transmission projects to enable the OSW goal of 7,500 MW to be efficiently, reliably, and cost effectively connected to the electric grid in New Jersey. The

⁴ On April 14, 2020, New Jersey Governor Phil Murphy signed into law a bill that extended the State's FY20 to September 30, 2020. In order to align with the State's fiscal year, the Board extended the NJCEP FY20 budget.

suite of projects awarded saved ratepayers approximately \$900 million compared to the “business as usual” baseline. In its award Order, the Board directed Staff to begin to consider a second SAA to help achieve the new 11,000 MW goal.

In 2022, Staff began to develop the State’s third OSW solicitation. A draft Solicitation Guidance Document was issued in November 2022 for public comment. The third solicitation will target 1,200 to 4,000 MW. The final guidance document was issued in March 2023, with applications due in June 2023, and the Board’s decision is expected in the December 2023.

In FY21, the Board and the South Jersey Port Corporation (“SJPC”) entered into a Memorandum of Understanding (“MOU”) to support the development of critical, first-of-their-kind manufacturing facilities in New Jersey to support the state’s growing offshore wind industry (“SJPC MOU”). This is in furtherance of EMP Goals 2.2.2-2.2.4, which seek to develop the OSW supply chain, infrastructure, and workforce.

FY22 funding also supported the Board’s multi-year membership in the National Offshore Wind Research and Development Consortium.

Also in FY21, the Board entered into an MOU with the New Jersey Economic Development Authority (“EDA”) to support a portion of the development and related expenses of the New Jersey Wind Port (“Wind Port”) (“EDA MOU”). The Wind Port is intended to be the first purpose-built location for marshalling and manufacturing and is expected to play a critical role in advancing the OSW industry in New Jersey, as well as being an economic engine for the State.

On August 16, 2019, Governor Phil Murphy signed Executive Order No. 79 and established a Council for the Wind Innovation and New Development (“WIND”) Institute, charged with developing and implementing a plan to create a regional hub for New Jersey’s burgeoning offshore wind industry and with building upon the Murphy Administration’s commitment to making New Jersey a national leader in offshore wind. The WIND Council includes representatives from the Office of the Secretary of Higher Education, the EDA, the BPU, the Department of Education, the DEP, and the Department of Labor and Workforce Development.

On April 22, 2020, the WIND Council released a report detailing plans for creating the WIND Institute, which will serve as a center for education, research, innovation, and workforce training related to the development of offshore wind in New Jersey and the Northeast and Mid-Atlantic region. The WIND Institute will coordinate and galvanize cross-organizational workforce and innovation efforts to position New Jersey as a leader in offshore wind. A primary function of the WIND Institute will be to act as a centralized hub for offshore wind workforce development by coordinating across stakeholder groups and State agencies to support the development and delivery of programs and facilities that empower New Jersey students and workers to participate in the offshore wind industry. More specifically, a cross-governmental working group will collaborate with New Jersey’s higher education institutions to identify opportunities for students to successfully enter the industry and

execute initiatives that will cement these pathways into the industry (e.g., apprenticeships) and address potential barriers for New Jersey workers (e.g., expanding pool of qualified instructors).

While the process to establish the WIND Institute through legislation is ongoing, immediate action is needed to lay a cohesive groundwork for workforce development necessary to support this rapidly growing industry. In FY21, the BPU entered into an MOU with the EDA to provide funding that would support EDA initiatives, including execution of a competitive grant solicitation to develop a Global Wind Organization safety training program and facility in New Jersey; development of a best-in-class wind turbine technician training program; creation of a plan to establish pathways into the offshore wind industry for New Jersey students and workers, driven by a cross-governmental working group to be coordinated by EDA; and design and delivery of a workforce development seminar that will provide local stakeholder groups with insight into the industry's workforce development needs to empower these stakeholder groups to build relevant workforce solutions.

In FY22, the Board entered into a second MOU with the EDA to support the WIND Institute. The funds supported workforce and education programs that address key challenges in expanding stakeholder engagement and understanding about workforce needs and opportunities. These programs included overseeing grant challenges to New Jersey training providers in key skills gap areas, such as offshore wind welding (specifically submerged arc welding), marine transport, offshore wind marshalling, offshore wind power engineering, and/or environmental surveying and monitoring. Funding also supported the development of an offshore wind module to be included as part of STEM concentrations at New Jersey vocational schools, offshore wind seminars, and other engagement activities for businesses and other stakeholders interested in furthering offshore wind workforce development; this module will have a particular focus on driving diversity, equity, and inclusion and a workforce skills assessment to ascertain additional workforce development priority areas. In addition, funding allowed for the expansion of the WIND Institute research and innovation programs that leverage New Jersey's higher education institutions' assets and expertise to spearhead research and innovation that unlocks market potential and/or specifically addresses challenges facing New Jersey's offshore wind industry. Additional programming would support an industry-sponsored grant challenge with public matching funds to drive innovative research and development in the private sector. A portion of the funding was also used for administrative and staffing costs to support the launch of the WIND Institute and to position the WIND Institute as a centralized information hub for offshore wind workforce development, education, research, and innovation and for other operational needs, including a space assessment for a physical location for the WIND Institute.

A third MOU for FY23 was executed in October 2022 between the Board and the EDA to support the WIND Institute. The funds provided by the BPU are expected to support the expansion of the WIND Institute Fellowship and University Initiatives' efforts to increase industry-valued expertise at a greater number of New Jersey universities and/or with a larger number of students than the first cohort of eight (8) students at each of the four (4) universities; the continued development and execution of OSW workforce and education programs, including overseeing grant challenges, executing MOUs, or other means to

establish OSW-focused training and education initiatives; training for non-destructive testing, crane operations, maritime occupations, and manufacturing, as well as general education campaigns about OSW and career pathways; and the development and execution of initiatives that spearhead research and innovation that unlock market potential and/or specifically address challenges facing New Jersey's OSW industry.

Together, these efforts will enable New Jersey to create the foundation for a targeted and coordinated offshore wind workforce development approach that creates job opportunities for a wide range of New Jersey students and workers.

FY22 and FY23 funding has also allowed the Rutgers Center for Ocean Observation Leadership ("RUCOOL") to continue the work that it began for the Board in 2017 on oceanographic and atmospheric studies of the waters off of New Jersey's coast.

In FY24, funding is requested for additional specific activities, including retaining a consultant to assist Staff in the development of the fourth solicitation guidance document and evaluation of the proposals; continuing funding for the RUCOOL work; retaining a consultant to update the OSW Strategic Plan and a consultant to support the second SAA; continuing funding for a consultant to assist Staff in the SAA evaluation; and the ongoing WIND Institute activities.

Solar

Pursuant to the Clean Energy Act of 2018⁵ ("CEA") (L. 2018, c. 17) and EMP Goal 2.3.2, the Board is finalizing the transition from its legacy solar incentive program (the "SREC registration program" or "SRP") to a new successor solar program. The SREC registration program closed upon the determination of the Board that 5.1% of the kilowatt hours sold in the state comes from solar electric power generators connected to the state's electric distribution system (5.1% milestone).

The solar transition was conducted in two phases. Phase 1 was the implementation of a Transition Incentive ("TI") Program to provide a bridge between the legacy SREC program and a successor incentive program. The TI Program was approved by the Board in December 2019 and was opened on May 1, 2020 to new projects and projects with a valid SRP registration that did not energize prior to the 5.1% milestone.

Phase 2 was the design and implementation of the new Successor Solar Incentive ("SuSI") Program. On July 28, 2021, the Board approved the closure of the TI Program to new registrations, effective on August 27, 2021, and the new SuSI program. The SuSI program is comprised of an Administratively Determined Incentive ("ADI") Program for net metered residential projects, net metered non-residential project 5 MW and under, and community solar projects; and a Competitive Solar Incentive ("CSI") Program for grid supply projects and larger net metered non-residential projects (over 5 MW). The ADI Program opened to new registrations on August 28, 2021.

⁵ Clean Energy Act, L. 2018, c. 17, https://www.njleg.state.nj.us/2018/Bills/PL18/17_PDF.

The Board has set incentive levels and megawatt allocations by market segment designed to result in 450 MW per year of net metered solar and community solar. Following the closure of the TI Program, an Interim Subsection t market segment was established to provide an incentive opportunity for grid supply projects located on brownfields, properly closed sanitary landfills, and areas of historic fill until the Board announced the launch of the CSI Program.

ADI Incentives (NJ-SREC-IIs) Per Market Segment

Market Segments	System Size MW (dc)	Incentive Values (\$/SREC-II)	*Public Entities (\$20 Adder)
Net-Metered Residential	All Sizes	\$90	N/A
Small Net-Metered Non-Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects smaller than 1 MW (dc)	\$100	\$120
Small Net Metered Non-Residential Ground Mount	Projects smaller than 1 MW (dc)	\$85	\$105
Large Net Metered Non-Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects 1 MW to 5 MW (dc)	\$90	\$110
Large Net Metered Non-Residential Ground Mount	Projects 1 MW to 5 MW (dc)	\$80	\$100
Community Solar LMI	Up to 5 MW (dc)	\$90	N/A
Community Solar Non-LMI	Up to 5 MW (dc)	\$70	N/A
Interim Subsection (t) Grid	All Sizes	\$100	N/A

ADI Capacity Blocks by Market Segment

Market Segments	System Size	MW (dc) Capacity Blocks
Net-Metered Residential	All Sizes	150 MW
Net Metered Non-Residential	All sizes at or below 5 MW (dc)	150 MW
Community Solar including LMI and Non-LMI	All sizes at or below 5 MW (dc)	150 MW
Interim Subsection (t) Grid	All Sizes	75 MW (Interim basis; Now closed)

On December 7, 2022, the Board announced the new CSI Program, which offers incentives to

grid supply solar and net metered solar installations over 5 MW in size. The CSI Program will follow competitive principles, awarding SREC-IIs based on bids into the program and selecting projects in a segment based on price.

The first solicitation under the CSI Program took place in the first quarter of 2023. The Board established the following market segments or tranches and procurement targets for the initial solicitation:

Tranche	Open to	Procurement Target (MW)
Tranche 1	Basic Grid Supply	140 MW
Tranche 2	Grid Supply on the Built Environment	80 MW
Tranche 3	Grid Supply on Contaminated Sites and Landfills	40 MW
Tranche 4	Net metered non-residential Installations larger than 5 MW	40 MW
Tranche 5	Storage paired with Grid Supply Solar	160 MWh

Evaluations of bids for the first solicitation are ongoing. Solicitations will take place on an annual basis going forward.

The Board established a non-refundable bid participation fee of \$1000 per MW, the proceeds of which will be used to defray costs of the program.

Community Solar

EMP Goal 2.3.1 calls for the continued growth of New Jersey’s Community Solar Program. Community solar aims to broaden access to solar energy by enabling electric utility customers to participate in a solar generating facility that can be remotely located from their own residence or place of business. These customers are those who cannot benefit from net metered solar, such as those who rent, live in multi-unit dwellings, have property unsuitable for solar, or lack access to the necessary capital. Community solar is therefore an important program for promoting equitable and fair access to New Jersey’s renewable energy policies.

Community solar in New Jersey was rolled out first as a Pilot Program, launched in February 2019 pursuant to the CEA. Through two solicitations conducted between 2019 and 2021, the Pilot Program led to the conditional approval of 150 projects, representing approximately 243 MW. Consistent with the goal of promoting equitable access to solar energy, all projects selected to participate in the Pilot Program have committed to allocate at least 51% of project capacity to low- and moderate-income (“LMI”) subscribers. The Community Solar Energy Pilot Program was designed as a competitive application process; projects were selected using criteria designed to further the State’s policy objectives for community solar development, including preferred siting, low- and moderate-income

resident inclusion, community engagement, and guaranteed savings for participating customers.

Pursuant to the CEA, the Pilot Program will now be converted to the permanent Community Solar Energy Program ("CSEP"), which is intended to target the development of at least 150 MW new community solar capacity annually. On March 30, 2023, Staff issued a straw proposal that sought stakeholder feedback on the design of the permanent program. Written comments were due by May 15, 2023 and will inform the design of the CSEP. Over the next few months, the BPU will continue to work closely with stakeholders to design and implement the permanent program.

Energy Storage

In FY19, the Board retained Rutgers University to conduct an analysis of energy storage ("ES") in New Jersey, pursuant to the CEA. The contract for the requested analysis commenced on November 1, 2018, and the Board accepted the final report at its June 12, 2019 agenda meeting.

In FY21, the first phase of an ES program intended to meet the CEA and EMP goals was initiated as part of the Solar Successor Straw Proposal. The December 2022 Board Order establishing the CSI Program includes a specific tranche providing incentives for 160 MWh of storage in combination with grid supply solar.

In FY22, Staff began to develop the second phase of the ES program, which will be aimed at reaching CEA-mandated 2030 goals.

In September 2022, Staff issued a straw proposal for an ES program, the New Jersey Storage Incentive Program ("NJ SIP"). Three stakeholder meetings were held and written comments received on the Straw Proposal and in 2023, Staff, together with a consultant to be retained, will issue the final NJ SIP.

Also, the ES budget line includes funding for a possible State match of USDOE funding to improve resiliency at State facilities. The details of this potential funding are still being finalized by Staff and will be provided to the Board for further consideration.

Grid Modernization

New Jersey's interconnection rules and processes require updating in order to achieve 100 percent clean energy by 2050. In FY22, Staff engaged a contractor to assist with updating New Jersey's interconnection rules so that they reflect national best practices and better enable the State to achieve its clean energy goals. Necessary updates to the State's interconnection rules may include but are not limited to: updates to the interconnection process; modernization of utility processes for studying interconnection requests; updates to technical interconnection study standards; updates necessary to coordinate interconnection requests with the regional transmission system; incorporation of updated

Institute of Electrical and Electronics Engineers or other standards; and other changes that will facilitate New Jersey meeting its ambitious clean energy targets. Five stakeholder meetings were held regarding the interconnection process, which informed the consultant's final report accepted by the Board in November 2022. The report contained nine recommendations. Draft rules were issued for public comment to implement four of the recommendations, and further stakeholder engagement is planned prior to implementation of the remaining recommendations.

Funding in FY24 is requested to continue the grid modernization proceeding, conduct a study of the potential to use renewable natural gas and/or green hydrogen as a means to reduce greenhouse gas emissions, and for additional new clean energy technology initiatives that may arise.

EMP Strategy 3: Maximize Energy Efficiency and Conservation and Reduce Peak Demand

This strategy focuses on strengthening New Jersey's overall EE and peak demand reduction, which involves clear energy reduction goal setting, consistency, and accountability. Energy reductions will be achieved through improvements in building thermal envelopes, appliance efficiency, energy benchmarking, equipment controls, strategic energy management, and attention to peak demand reduction. To prevent the amplification of energy burden disparities, access to increased efficiency for all residents will be prioritized, and the OCEE will continue to play a key role. In addition, the strategy aims to strengthen building and energy codes and appliance standards.

Energy Efficiency Programs

Energy Efficiency Program Transition

In 2018, Governor Murphy signed into law the landmark CEA, which called for a significant overhaul of New Jersey's clean energy systems by augmenting existing EE, RE, and DER programs and building sustainable infrastructure in order to fight climate change and reduce carbon emissions. Reducing the rate of climate change and emissions will in turn create well-paying local jobs, grow the State's economy, and improve public health, while ensuring a cleaner environment for current and future residents.

As part of this statewide undertaking, the CEA required New Jersey's investor-owned gas and electric utility companies to reduce their customers' use of gas and electricity by set percentages over time. To help reach these targets, the BPU established a statewide framework for EE programs in June 2020 and approved a comprehensive suite of "next generation" EE programs that feature new ways of managing and delivering EE directly from investor-owned gas and electric utility companies to their customers and that, since July 1, 2021, have begun to transition the state to what are expected to be some of the highest

energy savings in the country.⁶

The Board-approved utility-run EE programs offer on-bill repayment or comparable third-party financing, with more favorable terms for qualifying LMI customers and small commercial entities. Many utilities also offer Moderate-Income Weatherization Programs. The Board's approval, oversight, and evaluation of the utility-run EE programs support EMP Goal 3.1.5, which is to adopt equitable clean energy financing mechanisms that enable greater penetration of EE opportunities for all customers. They also support EMP Goal 3.1.3, which is to establish strategic and targeted EE programs to increase energy reductions and customer engagement. EMP Goal 3.1.3 specifically mentions programs that target moderate-income customers as helpful in closing gaps in program affordability and also incorporation of on-bill financing into EE programs.

Acoustical Testing Pilot

The New Jersey Acoustical Testing Pilot Program is proposed in response to the EMP Goal 3.1.3, which encourages the exploration of "new energy-saving opportunities in complementary sectors, such as the water sector." Annual water and energy losses due to aging water infrastructure in New Jersey are significant, amounting to billions of gallons of water and multiple gigawatts of energy lost. This pilot incentive program allocates resources to facilitate the purchase or rental by water utilities of acoustic monitoring systems that employ permanent leak monitoring technology to enable them to more efficiently and effectively locate water leaks. This pilot program welcomes proposals from all New Jersey water utilities, but primarily seeks to address water and energy losses in urban and older inner suburban communities. These communities have older infrastructure and addressing their infrastructure issues would also result in benefits to OBC. The Board approved the release of the application in March 2021. In July 2021, the Board awarded a total of \$1.1 million in grants to four applicants to implement permanent leak detection technology in their water systems. Staff will continue closely examine the progress and efficacy of the first round of funding and utilize this information to determine recommendations to the Board for a possible second pilot year.

LED Streetlights Replacement

Staff are in the process of developing a straw proposal that examines the benefits of assisting municipalities with LED streetlights replacement. Specifically, this is in response to EMP Goal 3.1.7, which is to "revise street lighting tariffs as necessary to incentivize mass adoption of energy efficient initiatives." The energy savings and resulting reduction in greenhouse gas emissions that occur when municipalities change over from traditional streetlights to dark sky compliant LED street lights is significant. This program could allocate grant funding for municipalities to meet the upfront costs of the changeover. It could also specifically reserve a portion of its funding for projects in OBCs so that these communities can avoid incurring the costs normally associated with an LED streetlight retrofitting project, benefit from the retrofits themselves, and reallocate municipal funding so that such funding can be spent on

⁶ See <https://njcleanenergy.com/transition> for more information about the EE transition.

other initiatives that benefit their constituents. In FY24, Staff will finalize the straw proposal and engage with stakeholders to finalize recommendations for this program.

During FY23, the BPU provided a \$2.5 million grant to the City of Atlantic City to complete its work in converting all Atlantic City Electric streetlights and some City-owned streetlights to LED. The City was a BPU grantee for an American Rescue and Recovery Act grant in the amount of \$2 million, with a grant period from August 1, 2016 through March 31, 2023, for the design and installation of LED streetlights in the City, under BPU docket numbers QG16050440 and EO09030210. As of January 12, 2023, the City has converted around 7,000 streetlights to LED in partnership with Atlantic City Electric Company and Arris Engineering Group, LTD. The additional \$2.5 million will enable the City to convert more than 4,000 streetlights to LED; retrofit all lights with sensors to provide automatic notification when the lights are out; create a Geographic Information System (“GIS”) data set of all traffic and crosswalk lights and signals; and create the necessary internal organizational structure to ensure that lights remain working into the future.

Sustainable Jersey

The BPU’s Sustainable Jersey contract supports the adoption of clean energy throughout the state through their Sustainable Jersey Municipal and Schools Certification Programs and their hands-on work with municipal governments and school districts. Sustainable Jersey assists municipal governments and schools to not only participate directly in clean energy programs themselves but to also encourage local residents and businesses to realize the energy and economic benefits that result from clean energy programs.

In particular, the BPU’s work with Sustainable Jersey directly tracks with EMP Goal 3.1.2, which is to increase awareness of and access to utility EE programs, NJCEP and its suite of statewide programs, and other BPU clean energy programs. Sustainable Jersey is also providing technical assistance to OBM’s that have received grants through the Community Energy Plan Grant (“CEPG”) Program.

New Jersey Institute of Technology

In order to further the efforts of EMP Goal 3.3.5, which seeks to “[i]mprove energy efficiency in, and retrofit state buildings to, a high performance standard,” the NJIT Center for Building Knowledge (“CBK”) provides high-quality research, training, and technical assistance on EE in the State and on select aspects of the NJCEP. In FY23, CBK collaborated with the BPU’s Division of State Energy Services (“SES”) to design the curriculum for and launch an energy management training program, with a focus on State facilities. CBK is also continuing to develop and add new materials and content that support EE and development of a benchmarking certification program.

Rutgers Center for Green Building

In addition to the Rutgers Center for Green Building’s (“RCGB”) EE evaluation work

described below, they will continue their work analyzing cost-effective amendments to NJ energy codes and co-facilitating the NJ Energy Code Collaborative. The RCGB is also supporting BPU's competitive federal grant applications for resilient and efficient codes implementation. These areas of work broadly support EMP Goal 3.3, which is to strengthen building and energy codes and appliance standards, including Goal 3.3.6, which is to increase compliance of mandated building and energy codes.

Benchmarking

In addition to the EE transition, the CEA mandated that, by May 2023, the BPU require building owners and operators of commercial buildings over 25,000 square feet to benchmark their energy and water use for calendar year 2022 using the U.S. Environmental Protection Agency's Portfolio Manager tool. Benchmarking is an important early step in raising awareness with building owners and operators about the energy performance of their buildings. EMP Goal 3.3.2 is to "[e]stablish transparent benchmarking and energy labeling," and the EMP describes building energy use benchmarking as a critical component in promoting market-driven increases in energy efficiency. Measurement and analysis of facilities' energy use, as well as comparison of performance to similar or model buildings, provides owners and operators with the necessary information to assess opportunities for performance improvements that reduce energy use and costs.

In FY22, the Board approved New Jersey's energy and water benchmarking program for large commercial buildings through which building owners and operators will provide their first submissions by October 1, 2023. In FY23, Staff has been pursuing and supporting program implementation steps – including outreach, training, IT development, and rulemaking – to ensure that building owners are able to benchmark their buildings.

In FY24, RCGB will continue to support the benchmarking program by developing the list of commercial buildings over 25,000 square feet, which entails analysis and modeling of tax records, GIS, and LiDAR data.

Additionally, the Board recognized the need for the State to "lead by example" and benchmarking of State facilities over 25,000 sq/ft is being implemented on the same timeline as the commercial sector. Protocols were developed in FY23 for State facilities and benchmarking is underway for over 100 buildings. Many of the State's eligible properties are located on a campus or master metered, which has resulted in the need to benchmark the entire campus as opposed to just the individual building.

EMP Strategy 4: Reduce Energy Consumption and Emissions from the Building Sector

EMP Goal 4.1 focuses on starting the transition to net zero carbon new construction. The NJCEP EE programs for new construction directly address this strategy. The BPU's anticipates that a redesigned New Construction Program will include an improved platform that replaces and improves the existing Residential New Construction ("RNC"), Commercial

& Industrial (“C&I”) Buildings - New Construction (“C&I NC” or “SmartStart NC”), C&I Buildings: Pay for Performance - New Construction (“P4P NC”), and C&I Buildings - Customer Tailored Energy Efficiency Program - New Construction (“CTEEP NC”) Programs. The redesigned New Construction Program is expected to incorporate multiple new components – including a single point of entry, an optimized program process flow, an increased depth of scope, and three pathways to participation (bundled, streamlined, and high performance), as well as a greenhouse gas bonus. The redesigned New Construction Program will be developed through ongoing input from public stakeholders during FY23 prior to Staff presenting it to the Board for their consideration.

EMP Goal 4.2 focuses on starting the transition to electrify existing oil- and propane-fueled buildings. The BPU is assessing cost-effectiveness of heat pump adoption in various scenarios, with an eye toward prioritizing electrification of oil- and propane-fueled buildings. In particular, BPU is working with the investor-owned utility companies to develop electrification incentives for low-income residential customers through the Comfort Partners program. In addition, discussions are underway among the BPU, the New Jersey Division of Rate Counsel (“Rate Counsel”), and the investor-owned utility companies about expansion of rebates and incentives to support this transition that could be offered as part of utility EE programs for existing buildings.

State Facilities Initiative

The State Facilities Initiative (“SFI”) identifies and implements EE projects in State-owned facilities or State-sponsored projects with the objective of producing energy and cost savings. The funding provided to the SFI is directly in line with EMP Goals 3.3.5 and 4.1.1. EMP Goal 3.3.5 seeks to “[i]mprove energy efficiency in, and retrofit state buildings to, a high performance standard.” EMP Goal 4.1.1 addresses electrifying State facilities.

The Energy Capital Committee (“ECC”), consisting of members from the New Jersey Department of Treasury (“Treasury”) and the Division of State Energy Services (“SES”), coordinates these projects based on evaluation of capital costs and anticipated energy savings. SES works with agencies, the Office of Management and Budget, and the Division of Property Management and Construction (“DPMC”) to help identify the projects that are viable to move forward and impact energy consumption. In FY24, **additional** funding has been provided to further upgrade State facilities. In addition, funds have been reallocated based on updated project timelines.

The BPU and Treasury first partnered through an MOU in February 2017 to upgrade the Hughes Justice Complex and the NJDEP.⁷ In November 2019, the Board entered into an MOU with DPMC to establish criteria for selecting and allocating funds on the designated priority

⁷ In re a Memorandum of Understanding between the New Jersey Division of Property Management and Construction and the New Jersey Board of Public Utilities, BPU Docket No. Q017010075, Order dated February 22, 2017.

list (“2019 MOU”).⁸ This allowed for increased State facility projects and a prioritized pipeline of future upgrades. Projects will meet one or more of the following criteria: (a) improvements, upgrades, and replacements of air handling and movement systems; (b) lighting and equipment upgrades and replacements; (c) boiler, chiller, and HVAC replacements; (d) lighting and building controls; (e) RE and EE systems at all State facilities; and (f) injection of funding for State facility projects outside of the ECC domain that have an EE or RE component but are stalled due to lack of funding.

Following the guidelines established in the 2019 MOU, SES will continue to develop projects.

Included as an appendix is a chart that summarizes the FY24 Designated Project List (“DPL”). The DPL represents SES staff’s most current list and funding amounts making up the SFI budget line. The proposed funding levels for specific projects on the list reflects the current project status, recognizing that project start dates and milestones are dependent on DPMC coordinating the commitment and deployment of all project funds, including use of the Treasury line of credit. As with prior approved DPLs, including the one approved in 2019, SES staff will continue to identify potential future projects, or appropriate future projects, subject to the review and approval by the Board consistent with the orders referenced above.

Additionally, the BPU has advocated for changes to the Treasury Circular to greater enhance the role of agency energy manager. In order to make sure that Staff have the tools to implement energy savings plans, in FY23 the SFI offered training and grants for agencies that send energy managers through the eight-month training program. There is currently participation from 13 State entities in the current cohort.

Utilizing the Energy Manager Training, SES was able to train agency energy managers on Local Government Energy Audit paperwork. This resulted in a substantial increase from less than ten applications in the previous year to almost 40 applications in FY23. For FY24, through the State Energy Manager training program, additional State entities will apply for energy audits, which will help shape what other projects will follow.

Furthermore, the Annual State Facility Energy Consumption Report will allow for continued tracking of energy consumption and cost at State facilities. This data will help inform agencies of prior use, opportunities for reductions, and high energy use intensity.

EMP Strategy 5: Decarbonize and Modernize New Jersey’s Energy System

This strategy addresses the planning, finance, and implementation of electricity distribution system upgrades to accommodate increased electrification and DER integration; exercising regulatory jurisdiction and increasing oversight over transmission upgrades to ensure prudent investment and cost recovery from ratepayers; modifying rate design and the ratemaking process to empower customer energy management; and maintaining gas

⁸ In re the Memorandum of Understanding Between the New Jersey Division of Property Management and Construction, Department of Treasury and the New Jersey Board of Public Utilities Regarding the State Facilities Initiatives Program Budget, BPU Docket No. Q019101423, Order dated November 13, 2019.

pipeline system reliability and safety while planning for future reductions in natural gas consumption.

Microgrids

The BPU learned from Superstorm Sandy that business as usual – with respect to the electric distribution system overall and backup generators at critical facilities – was inadequate for resilience. To address resilience at critical facilities, in 2014, the BPU provided funding to NJIT to conduct a study of potential locations for Town Center Distributed Energy Resources (“TCDER”) microgrids in the Sandy-affected regions of the state. The 2015 EMP recommended an increase in the use of microgrid technologies, and in November 2016, the BPU issued a microgrid report that formed the basis for New Jersey’s initial microgrid program.

In FY18, the BPU initiated Phase I of the microgrid program, through which interested applicants could submit requests to fund TCDER microgrid feasibility studies. The universe of program applicants was limited to local government entities or State agencies that own or manage critical facilities. The BPU awarded a total of approximately \$2 million to 13 public entities consisting of municipalities, counties, and authorities to conduct the feasibility studies. The BPU reviewed the studies in FY19 and found 12 participants to be eligible for the next round of funding.⁹

In FY20, the BPU initiated Phase II of the program, which was open to all eligible Phase I participants and which will provide incentives for detailed designs of TCDER microgrids. Of the 12 approved feasibility study participants eligible for Phase II incentives, 11 submitted applications in May 2020. In March 2021, the BPU awarded a total of \$4 million to eight applicants. One awardee subsequently declined to accept the incentive, resulting in a total award of \$3,750,000. In FY21, 75% of the award (\$2,812,500) was provided to each of the seven awardees. The balance of the award will be provided upon review of the completed design work by Staff. After the design and engineering phase is completed, TCDER applicants will decide whether to move forward with Phase III, which encompasses the construction and implementation of the TCDER microgrid projects.

In FY20, to investigate opportunities for financing TCDER Microgrids, the BPU applied for and received a grant of approximately \$300,000 from the USDOE to conduct a study regarding financing microgrids. The study had the following objectives:

- Analyze existing best practices to inform the development of the procurement/financing models;
- Evaluate and track the TCDER microgrid applicants as they enter the procurement and financing process to derive “real-world” information that can further refine the models; and

⁹ One (1) participant withdrew from further consideration.

- Produce a guide grounded in legal, economic, and regulatory realities to help jurisdictions in New Jersey and across the United States to better understand the process of procuring and financing advanced community microgrids.

The study report was released in July 2021.

FY24 funding is requested to conduct a study to evaluate the design progress and evaluate barriers to Microgrid adoption.

EMP Strategy 6: Support Community Energy Planning and Action with an Emphasis on Encouraging and Supporting Participation by Low- and Moderate-Income and Environmental Justice Communities

This strategy concerns the environmental justice (“EJ”) and equity dimensions of the clean energy economy, with the purpose of ensuring equal access to the clean energy economy and its opportunities and benefits.

First, the OCEE was established, which works on cross-cutting energy and equity issues and guides the BPU’s programs towards an equity lens. One of the programs that the OCEE administers is the CEPG Program, which was relaunched in November 2021. This new iteration of the program places an emphasis on supporting OBCs, including higher award amounts and technical assistance available to these municipalities.

This strategy also lists goals for clean power generation and clean transportation options in LMI and EJ communities, addressing the disproportionate pollution impact with which these communities are often burdened. Specifically, the Community Solar Program and the MUD Program, as described in detail above, highlight the BPU and the OCEE’s efforts to directly meet these goals as they relate to OBC.

Finally, within EE, there are enhanced incentives available for LMI communities. There are ongoing outreach efforts taking place in working groups around enhanced incentives to encourage increased participation. Equity metrics for utility-run EE programs are included in quarterly reports and posted on the NJCEP website. The reports evaluate participation, expenditure, and savings in OBCs with additional qualitative notes on outreach efforts. Also, the BPU, through the OCEE, and other relevant State agencies continue to expand energy assistance programs, such as Comfort Partners, Weatherization Assistance Program, and other EE programs, to provide education and community outreach in order to increase participation and reduce energy burden. The details of many of these aforementioned programs, including much of the EE work overseen by the OCEE, is addressed under Strategy 3. Also, the Comfort Partners Compliance Filing further outlines the work that is being performed through this program.

Whole House Pilot Program

In FY23, the BPU and Green and Healthy Homes Initiative designed and launched New

Jersey's Whole House Pilot Program ("WHPP") in Trenton. This program will continue in FY24 to expand EE offerings and address long-term health impacts for low-income residents through development of a collaborative, interagency approach to addressing a broader array of residential health and safety concerns than had previously been addressed through the Comfort Partners Program and the Weatherization Assistance Program in a limited capacity.

Community Energy Plan Grants

Through the CEPG Program, local governments identify which strategies of the EMP are most applicable in their communities, what obstacles may exist, what opportunities there may be, and which the BPU incentive programs or other State programs may help them move towards the goals of the EMP.

In 2021, the Board requested that the OCEE perform an evaluation of the CEPG Program to develop recommendations that prioritize LMI and OBCs who may benefit the most from the program.

As a result of this request, the OCEE redesigned the CEPG Program in FY22 to remove barriers to participation from these communities with limited resources. First, OCEE simplified the application process for all municipalities. In addition, based on OBC census tracts data, and the New Jersey Department of Community Affairs ("DCA") Municipal Revitalization Index ("MRI"), the OCEE identified 48 OBCs. These 48 municipalities were eligible for an enhanced grant amount and additional aid in the form of technical assistance from Sustainable Jersey. All New Jersey municipalities were eligible for \$10,000 grants unless they were identified as an OBC, in which case they were eligible for a \$25,000 grant, with additional aid in the form of technical assistance to help complete the grant application and technical support to develop the community energy plan after the grant is awarded.

The simplified application process and enhanced benefits for OBCs were designed to increase the likelihood of success of and engagement in the program.

On June 8, 2022, the Board awarded grants to 46 municipalities, including 24 OBCs, with grants totaling \$820,000. Prospect Park became the first municipality to adopt their community action plan in March and other municipalities are in the process of creating their plans.

In FY24, Staff proposes to open a new round of grant funding for additional municipalities that have not yet participated in the program, with no substantial changes to eligibility criteria. Also in FY24, Staff proposes for the first time to offer grant funding to support municipalities' implementation of their completed community energy plans. This new offering is anticipated to support increased OBC participation.

EMP Strategy 7: Expand the Clean Energy Innovation Economy

This strategy seeks to develop New Jersey's clean energy economy, including the clean

energy tech sector and the burgeoning OSW industry, through workforce training, clean energy finance solutions, and investing in innovative research and development programs. With the establishment of the WIND Institute, as mentioned in greater detail above, which will coordinate education, workforce training, research and development, and capital investments, New Jersey will continue to lead and innovate on OSW. Not only will New Jersey's clean energy goals reduce the risk of climate change, they also present significant opportunities to increase jobs and strengthen the economy.

Economic Development Authority

Clean Energy Manufacturing Fund

The EDA managed the Edison Innovation Clean Energy Manufacturing Fund ("CEMF"), which provided assistance in the form of low-interest loans and non-recoverable grants to companies manufacturing renewable energy, clean energy, and energy-efficiency products in New Jersey. In addition to developing the industry in New Jersey, CEMF provided New Jersey consumers with greater access to these products by developing manufacturing facilities in the state.

No new applications will be accepted, and no new grants or incentives will be awarded in FY24. The loans and grants previously awarded through the programs has been paid. Therefore, no funding is needed in FY24 to continue to monitor compliance with the funding agreements and collecting loan repayments.

R&D Energy Tech Hub

In FY21 and FY22, the Board entered into MOUs with the EDA to provide funding to support the EDA's Clean Tech Seed Grant Program for research and development activities for very early-stage, NJ based clean tech companies. Additionally, this funding has been used to support a clean tech research and development asset mapping and voucher initiative. This initiative is designed to increase awareness, access, and utilization of the State's physical clean tech innovation-related assets, such as testing equipment and specialized fabrication equipment.

In FY23, funding was approved to advance the BPU's continued support of EDA's clean tech programs, including the addition of a new Clean Tech Pilot Demonstration Program. This program will enable New Jersey based companies to accelerate the commercialization and deployment of innovative clean energy technologies by providing funding for pilot demonstration ready projects to test and validate performance and de-risk the commercialization process.

Multiple EMP Strategies and All Other Programs

Many of the programs offered through the NJCEP address multiple EMP strategies. Additionally, in order to fund salary expenses, marketing, and other essential administrative

services for the NJCEP, funding has been allocated to continue to support the below programs.

Planning and Administration

BPU Program Administration

The DCE is charged by the Board with the responsibility for administering the NJCEP. As the administrator of the NJCEP, the DCE is responsible for various program-related matters, including:

1. Developing recommendations to the Board regarding programs to be funded, budgets for those programs, and various matters related to the administration and implementation of the programs;
2. Drafting Board orders memorializing Board decisions and tracking compliance with such orders;
3. Administering the CEF to support all program activity, including:
 - a. Ensuring compliance with State policy and procedures regarding all payments to and from the CEF for program-related activities;
 - b. Coordinating with Treasury with regard to financial management and reporting of the NJCEP and reconciliation of the CEF with the rest of the State financial system; and
 - c. Coordinating the activities of various working groups and stakeholder meetings, including soliciting input regarding programs, budgets, and program administrative matters;
4. Overseeing the activities of the program administrator and the utilities, coordinating with sister agencies such as EDA and NJDEP, and advancing education and outreach efforts, and other issues;
5. Developing reporting guidelines and providing the Board with regular updates regarding program activities;
6. Developing protocols for measuring energy savings and renewable energy generation;
7. Overseeing evaluation and related research activities;
8. Developing program goals, performance indicators, and minimum requirements for program management;

9. Monitoring program activity, reviewing evaluation results, and recommending modifications to programs and budgets as required;
10. Developing requests for proposals to engage program administrators and/or managers, evaluation contractors, consultants, and other contractors that assist with the administration of the programs, evaluating proposals received, and selecting contractors;
11. Facilitating resolution of issues related to program management and customer complaints;
12. Managing the Comprehensive Resource Analysis proceedings to set funding levels; and
13. Managing requests for proposals for program services and related program transition activities.

Funding from this budget line has also been committed to support up to four Rutgers' University Eagleton Science and Politics Fellows who will be embedded with the DCE beginning in July 2023 and will apply their technical expertise to aid the advancement of clean energy policy.

Marketing

The NJCEP Marketing Plan is designed to enhance knowledge awareness among businesses, local government, and residents of energy efficiency and other clean energy initiatives and programs. The branding campaign, launched in April 2020, continues to build awareness among New Jerseyans and businesses of the clean energy resources available through the State of New Jersey, including BPU and other NJCEP offerings, thereby increasing participation in all of the programs.

In FY23, the marketing plan communicated the State's overarching goals and ongoing efforts to foster long-term, resilient, clean energy options and to reduce energy consumption and emissions to create a more sustainable environment for all of New Jersey in alignment with the EMP.

Clean Energy Program Website

NJCleanEnergy.com supports the NJCEP's goals by providing information to the public about all of the division's offerings. Upon award of a State contract to a winning bidder, a redesigned website will increase public awareness of the benefits of clean and efficient energy and of the incentives and financial assistance available to ratepayers. In addition, it will provide an easy-to-use and navigate platform to make applications more accessible and provide decision portals to allow customers to more easily find the most applicable programs.

Program Evaluation/Analysis

Evaluation and related research provide insights into and analysis of clean energy markets and programs. The BPU is the lead implementing agency for the development and implementation of the EMP and the NJCEP. As such, the BPU is required to track and report on progress in meeting EMP goals, as well as to evaluate current and proposed NJCEP programs in terms of their rate impact and the cost versus benefits of specific programs operated through ratepayer funds. The BPU is also required to establish baselines related to EE, renewable energy generating sources, and emerging technologies, and to evaluate the market potential for current and emerging clean technologies.

Energy Efficiency

The FY23 NJCEP proposal provides continued funding for evaluation, measurement, and verification ("EM&V") of utility- and State-run EE program outcomes for residential, governmental, commercial, and industrial markets. In FY23, the BPU's EE EM&V Working Group – which the Board created during the EE Transition and which is led by the Statewide Evaluator – continued its work to evaluate utility- and State-run EE programs. The EE EM&V Working Group has developed a shared EM&V framework and schedule of studies applicable throughout each three-year period of utility-run EE programs.

Evaluation of EE programs includes assessment of whether the programs meet performance targets for energy savings achieved by harder-to-reach customer bases, such as multi-unit dwellers, income-eligible households, and small commercial customers. This assessment supports EMP Goal 3.1.3, which is to establish strategic and targeted EE programs to increase energy reductions and customer engagement.

EM&V studies also enable the EM&V Working Group to evaluate changes to performance indicators, which may include revised utility-specific targets for reductions in energy consumption and peak demand that support the minimum reductions mandated by the CEA. The scope of work managed by the EM&V Working Group directly tracks with EMP Goal 3.1.1, which calls for implementation of the CEA requirement that electric and gas utilities annually reduce consumption by at least 2% and 0.75%, respectively, including the establishment of clear performance indicators and targets and EM&V methods.

In FY22 and FY23, RCGB oversaw completion of several evaluation studies – including analysis of New Jersey commercial new construction industry standard practice, New Jersey non-residential and residential lighting market characterizations, and analysis of New Jersey 2020 and 2021 retail lighting sales. In FY24, RCGB will continue to perform evaluation studies, including cost-benefit analyses and other evaluations of State-run EE programs, as well as supporting the EE EM&V Working Group. Among the activities supported will be including as participating members of the Technical Reference Manual Committee and New Jersey Cost Test Committee.

In FY23, the BPU engaged an EE Evaluation Study Team ("EST") to conduct studies and perform evaluation work that has statewide applicability in FY23 and FY24. The EST will

also assess the impacts of and processes used by several State-run EE programs.

Energy Master Plan Ratepayer Impact Study

The 2019 EMP established a set of goals and pathways for New Jersey to reach 100 percent clean energy by 2050, as directed by Governor Murphy in Executive Order No. 28. The Board developed the Integrated Energy Plan (“IEP”), a long-term forecasting model, to better inform the strategies set forth in the EMP. Specifically, the IEP modelled several scenarios to identify the most strategic and least-cost pathways to achieve New Jersey’s 2050 clean energy and emissions targets. The IEP considered the costs and benefits of the full energy system under such scenarios but not the individual ratepayer impacts of a clean energy transition.

To assess ratepayer impacts, Staff engaged The Brattle Group (“Brattle”) to incorporate the goals and objectives of the EMP, including the results of the IEP, into a comprehensive model of customer rates and energy costs in the year 2030 for four classes of customers (low-income and non-low-income residential plus small and large commercial and industrial customers) under three scenarios (current policy, EMP achievement, and ambitious pathways). In addition, Brattle compared results for each pathway across different customer types to examine the incremental impacts for customers that adopt various ways to increase their use of clean energy solutions.

The Board accepted the Ratepayer Impact Study in August 2022. The Study found that the 2030 total energy costs of the average residential and the average small and large commercial and industrial customers are expected to be lower than their current costs if these customers are able to adopt electric vehicles or electric heating technologies and participate in energy efficiency programs. The study further noted that the avoided cost of reduced greenhouse gas emissions in 2030 from electrification of vehicles and homes provides an annual benefit of \$1.75 billion per year in 2030.

Rutgers University Facilitation of Dual Use Solar Pilot

In July 2021, Governor Murphy, pursuant to EMP Goal 2.1.8, signed the Dual Use Solar Act (L. 2021, c. 170), which directs the Board to establish a pilot program for the development of dual-use solar projects on productive farmland (also known as “agrivoltaics”). The Pilot Program is designed to demonstrate and study the compatibility of active agricultural or horticultural production and solar photovoltaic infrastructure on the same property. Staff engaged Rutgers University for providing crucial input into the design of the Pilot Program. Throughout 2023, and in close collaboration with the New Jersey Department of Agriculture, the DEP, and other interested stakeholders, the Board will conduct robust public engagement to gather input on the implementation of this law.

Outreach and Education

The BPU’s EE Marketing Working Group – which the Board also established during the EE Transition – includes representatives of the BPU Staff from multiple divisions, the NJCEP

program administrators, utility companies and their program administrators, Rate Counsel, Sustainable Jersey, and others. This working group coordinates on outreach and education on EE programs offered across the state. The EE Marketing Working Group's activities are consistent with and supportive of EMP Goal 3.1.6, which is to "[s]treamline and increase marketing, education, awareness, and program administration."

Clean Energy Conference

The BPU, led by the Chief of Staff's Office and the DCE, and Rutgers University planned, coordinated, and held the highly successful 2022 Clean Energy Conference: Achieving Our Clean Energy Future. On October 3-4, 2022 at Harrah's in Atlantic City, over 720 registrants attended the conference. Key amongst the speakers were Governor Phil Murphy, FERC Commissioner Willie Phillips, Princeton University's Jessie Jenkins, NJEDA CEO Tim Sullivan, NJDEP Commissioner Shawn LaTourette, Governor's Office on Climate Action and the Green Economy's Jane Cohen, and BPU Commissioners Mary-Anna Holden, Bob Gordon and Zenon Christodoulou, as well as over 25 other Staff, industry, state, and policy experts. This was the first Clean Energy Conference in nearly a decade. The conference improved the visibility and exposure of the NJCEP and advanced the State's clean energy goals by helping to educate the public about the benefits derived from the NJCEP and the opportunities available through the program, thereby increasing program participation. The conference delivered a platform that informed industry, nonprofit, and other public stakeholders about progress made on a number of clean energy topics and program areas, as well as upcoming changes and enhancements to New Jersey's clean energy initiatives, thereby increasing New Jersey's national recognition as a leader in clean energy.

Memberships

This component of the budget includes funding for sponsoring the National Association of State Energy Offices and the Clean Energy State Alliance, which coordinates efforts among state energy offices, as well as other memberships key to ensuring collaboration and utilization of best practices from other states.

BPU Initiatives

Heat Island Pilot

The OCEE is working with the NJDEP and other State agencies on an initiative that seeks to implement strategies that would address the causes and reduce the impacts of excessive heat and the heat island effect. This initiative may offer incentives and identify clean energy alternatives in an effort to address several of the underlying factors that contribute to the heat island effect, with the added benefit of increasing EE and resilience.

Energy Bill Assistance

Since the onset of the public health emergency in 2020, the Board has taken a leading role in safeguarding the access to electric, gas, water, wastewater, and essential

telecommunications services for customers. The Board expanded access to and funding for programs like the Universal Service Fund (“USF”) and the Payment Assistance for Gas and Electric (“PAGE”) Program. Working with all of the utilities and other companies subject to the Board’s jurisdiction, along with representatives of community groups, customer advocates and Rate Counsel, Staff has ensured compliance with the various Executive Orders regarding utility operations, including the moratorium on shutoffs for nonpayment and the subsequent grace period and enrollment period.

In partnership with DCA, Staff facilitated the distribution of approximately \$410 million in American Rescue Plan (“ARP”) funding for utility bill arrearages through the programs administered by the DCA. The bulk of this assistance was distributed to customers in a collaborative process with the utility service providers, where customers with arrearages over \$300 and more than 30 days overdue, not otherwise eligible for assistance, were identified by the utility and contacted by DCA. Approximately 127,234 households were provided assistance through this effort.

Additionally, the BPU provides funding for the USF and PAGE programs. During the last program year, USF provided \$146,431,260 of assistance (an increase of 38%) to 289,788 customers (an increase of 97%). A key component of the USF is the Fresh Start Program, whereby eligible customers who make 12 consecutive monthly payments on their current bill have the past due balance paid in full by the program. Through Fresh Start Program expansion, the Board provided arrearage forgiveness in the amount of \$51 million to USF enrollees during the last program year, an increase of 1,247 percent compared to the prior program year, before temporary program expansions were put into place. The smaller, more moderate-income PAGE Program disbursed approximately \$3.1 million in 2022 (a decrease of 20 percent compared to the prior calendar year), due to the availability of federal ARP funds and the Fresh Start Program expansion. PAGE grants were provided to 7,548 households in 2022 which was approximately the same number of households as the prior calendar year.

In recognition of many customers’ urgent and ongoing need for assistance, in April 2023, the Board entered into an MOU with the Department of Community Affairs to provide approximately \$21 million in FY23 Clean Energy funds for utility bill relief. This funding will be awarded as supplemental funding for eligible applicants of the ARP program, USF, Low Income Home Energy Assistance Program (“LIHEAP”) and PAGE programs.

Workforce Development

As the clean energy economy continues to grow in New Jersey, workforce development and training are key components of realizing the State’s efficiency, generation, and energy equity goals while providing clean, green jobs to workers in New Jersey. To that end, the BPU is funding a New Jersey EE and building decarbonization workforce study that is being conducted by the John J. Heldrich Center for Workforce Development at Rutgers University. BPU is also coordinating with the New Jersey Department of Labor to explore the potential establishment of State-funded workforce development initiatives that support employment and training services for individuals interested in clean buildings careers through

competitive grants to community-based organizations in partnership with utility companies. These grants could support the recruitment of eligible participants from New Jersey's overburdened communities to receive core employment and training services, such as workforce readiness and financial literacy instruction, wrap-around supportive services, job coaching, and job placement services to facilitate entrance into the clean energy workforce. These State-funded grants could also increase access to employment and training services, such as occupation skills trainings resulting in industry-recognized credentials and needs-based on-the-job training placements with employers intended to provide a bridge for participants into sustainable, unsubsidized employment. Utility companies are also exploring offering subsidized or no-cost training programs for workers to gain credentials, including certifications, which are required for employment in EE and building decarbonization jobs. The development and implementation of these initiatives will occur while the BPU supports the Governor's Clean Building Working Group and will be coordinated with the Workforce Development and Equity Working Groups established through the EE transition.

Fiscal Year 2024 Program Budgets

The following table sets out a detailed FY24 budget for programs managed by the DCE:

FY24 Detailed Budget - Cost Category Budgets (\$)							
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total NJCEP	362,865,048	21,971,220	13,828,156	35,562,929	232,686,419	-	58,816,324
Energy Efficiency Programs	95,434,591	8,752,958	-	-	86,681,633	-	-
Energy Efficiency Transition	14,568,263	8,752,958	-	-	5,815,305	-	-
State Facilities Initiatives	61,597,550	-	-	-	61,597,550	-	-
Acoustical Testing Pilot	3,281,880	-	-	-	3,281,880	-	-
LED Streetlights Replacement	15,986,898	-	-	-	15,986,898	-	-
Distributed Energy Resources	2,187,500	-	-	-	1,687,500	-	500,000
Microgrids	2,187,500	-	-	-	1,687,500	-	500,000
RE Programs	20,406,584	1,025,000	-	-	10,000,000	-	9,381,584
Offshore Wind	20,406,584	1,025,000	-	-	10,000,000	-	9,381,584
EDA Programs	37,912,044	768,927	-	32,062,929	-	-	5,080,188
Clean Energy Manufacturing Fund	17,228	17,228	-	-	-	-	-
NJ Wind	25,400,942	127,005	-	20,193,749	-	-	5,080,188
R&D Energy Tech Hub	12,493,874	624,694	-	11,869,180	-	-	-
Planning and Administration	64,318,398	7,424,335	12,328,156	-	2,211,355	-	42,354,552
BPU Program Administration	5,585,000	5,585,000	-	-	-	-	-
Marketing	12,262,234	1,839,335	10,422,899	-	-	-	-
CEP Website	1,500,000	-	1,500,000	-	-	-	-
Program Evaluation/Analysis	42,354,552	-	-	-	-	-	42,354,552
Outreach and Education	2,449,889	-	405,257	-	2,044,632	-	-
Sustainable Jersey	889,000	-	-	-	889,000	-	-

NJIT Learning Center	1,155,632	-	-	-	1,155,632	-	
Conference	405,257	-	405,257	-	-	-	
Memberships	166,723	-	-	-	166,723	-	
BPU Initiatives	142,605,931	4,000,000	1,500,000	3,500,000	132,105,931	-	1,500,000
<i>Community Energy Plan Grants</i>	<i>5,574,034</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5,574,034</i>	<i>-</i>	
<i>Energy Storage</i>	<i>24,000,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>24,000,000</i>	<i>-</i>	
<i>Heat Island Pilot</i>	<i>2,500,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2,500,000</i>	<i>-</i>	
<i>Electric Vehicle Programs</i>	<i>84,200,000</i>	<i>3,000,000</i>	<i>1,500,000</i>	<i>-</i>	<i>78,200,000</i>	<i>-</i>	<i>1,500,000</i>
Plug In EV Incentive Fund	31,700,000	-	-	-	31,700,000	-	
CUNJ Administrative Fund	3,000,000	3,000,000	-	-	-	-	
CUNJ Residential Charger Incentive	4,500,000	-	-	-	4,500,000	-	
EV Studies, Pilots and Administrative Support	3,000,000	-	1,500,000	-	-	-	1,500,000
State Vehicle Fleet	6,000,000	-	-	-	6,000,000	-	
Local Clean Fleet	6,000,000	-	-	-	6,000,000	-	
Multi-Unit Dwellings (Chargers)	15,000,000	-	-	-	15,000,000	-	
EV Tourism	8,000,000	-	-	-	8,000,000	-	
E-Mobility Pilot Programs	7,000,000	-	-	-	7,000,000	-	
Energy Bill Assistance	21,831,897	-	-	-	21,831,897	-	
Workforce Development	4,500,000	1,000,000	-	3,500,000	-	-	

**New Jersey's Clean Energy Program
FY 2024 Program Descriptions and Budgets**

Utility Residential Low Income

Comfort Partners Program

**Proposed Program Description and
Budget**

June 29, 2023

Residential Low-Income Program “New Jersey Comfort Partners”

The Residential Low-Income Program known as Comfort Partners (“Comfort Partners” or “Program”), managed by Atlantic City Electric (“ACE”), Jersey Central Power & Light (“JCP&L”), New Jersey Natural Gas (“NJNG”), Elizabethtown Gas (“Elizabethtown”), Rockland Electric Company (“RECO”), Public Service Electric & Gas (“PSE&G”), and South Jersey Gas (“SJG”) (collectively referred to as “Utilities”) is primarily designed to reduce the high cost of energy and lower energy bills by maximizing lifetime energy savings (kWh and therms) per dollar spent. This Program is also designed to improve energy affordability for low-income households through energy education, efficiency, and conservation. To achieve this objective, several market barriers must be overcome. Key among these are: (1) lack of information on either how to improve efficiency or the benefits of efficiency; (2) low-income customers do not have the capital necessary to upgrade efficiency or even, in many cases, keep up with regular bills; (3) low-income customers are the least likely target of market-based residential service providers due to perceptions of less capital, credit risk and/or high transaction costs; and (4) split incentives between renters and landlords. The Program addresses these barriers through:

- Direct installation of cost-effective energy efficiency measures;
- Comprehensive, personalized customer energy education and counseling; and
- Installation of health and safety measures, as appropriate.

Target Market and Eligibility

The Program is targeted at low-income participants in New Jersey. This target population is characterized by high-energy burdens based on their income. Program participation will be prioritized by energy use with the highest energy users being served first.

The Program is available to: households with income at or below 250% of the federal poverty guidelines. Households may also qualify, if they are located within a Low-Income designated census tract, via an income self-certification process detailed in the Location Based Eligibility section of this document. Customers who receive Supplemental Security Income, Home Energy Assistance, USF, Lifeline, Pharmaceutical Assistance to the Aged and Disabled, Temporary Assistance to Needy Families, Section 8 Housing, Medicaid, Supplemental Nutrition Assistance Program, or General Assistance also may be eligible. Customers who could take advantage of Comfort Partners or engage with another State-sponsored energy saving implementation program will not only directly benefit from the weatherization and health and safety measures, but will also help to reduce costs to all ratepayers.

A participant must be a customer of record with a separately metered electric or natural gas account and live in a single-family or multi-family residential building with 1-14 units; the residence must be their primary home. Customers who heat with fuel oil or propane will be considered for inclusion in the building electrification and decarbonization pilot. Fuel oil and propane customers that are not a good fit for electrification will be referred to the Department of Community Affairs’ Weatherization Assistance Program (“WAP”) for services in accordance with a memorandum of agreement between Comfort Partners

and WAP. Customers who heat with fuel oil where WAP cannot reasonably provide critical services, such as repairing or replacing oil fired heating systems, may be considered for conversion to natural gas by Comfort Partners, separately from the electrification and decarbonization pilot program. In addition, customers who receive natural gas service from an investor- owned New Jersey natural gas utility and who receive electric service from a municipal electric company will also be eligible for all Comfort Partners electric and natural gas saving services. Ineligible customers will be referred to either WAP, a Utility-led Moderate Income Home Weatherization Program or Home Performance with Energy Star (“HPwES”) for services. Referrals will be made between Comfort Partners and WAP for measures not performed by either entity (e.g.: WAP may refer customers to Comfort Partners for evaluation of central air conditioning and freezer replacements.).

Location Based Eligibility

In an effort to reduce enrollment barriers into the Program, the Comfort Partners Working Group (“Working Group”) will utilize location-based eligibility (LBE). LBE will remove the burden of income verification and create more trust with interested, yet hesitant, potential customers in the communities we serve. This approach can create marketing/outreach efficiencies, achieve savings in less time, reduce administrative costs, and improve cost effectiveness.

Customers residing within the geographical boundaries of low- income census tract neighborhoods will be eligible to participate in Comfort Partners without providing income verification documentation. Customers will be required to self-certify their income by signing a program income verification statement. All other program eligibility rules remain in effect and must be verified by the vendor. If fraud is suspected, implementation vendors will follow the current CP Procedures Manual suspected fraud guidelines.

Offerings and Customer Incentives

Among the measures to be considered for each home are efficient lighting products; hot water conservation measures (water heater replacement and tank temperature turn-down); replacement of inefficient refrigerators and freezers; installation of energy efficient thermostats; insulation upgrades (attic, wall, basement, etc.); blower-door guided air sealing; duct sealing and repair; heating/cooling equipment maintenance, repair and/or replacement; and other measures as needed. Removing barriers to installing energy efficiency measures, such as repair or replacement of a broken window, repair of a hole in a wall and/or roof, mold remediation or the installation of rain gutters, and other health and safety related measures, may be considered on a case-by-case basis.

Failed or failing heating and/or cooling systems can be replaced for efficiency and/or health and safety reasons on a case-by-case basis. In the event of insufficient funding, or if Comfort Partners customers’ homes require more treatment than the Program is designed to deliver, the Utility Working Group will attempt to maximize and leverage available resources by entering into discussions with WAP. The goal of such discussions will be to determine their interest in accepting Program referrals to install heating systems and perform other needed work for energy efficiency and/or health and safety reasons.

Measure Selection

Energy efficiency measures and other reasonable repairs required to install those measures may be installed in each home. The Program will review, on a case-by-case basis, the repair and installation of items that, in and of themselves, may not be considered energy saving technologies, but would be required in order to effectively install energy conservation measures, such as the repair of a roof prior to the installation of attic insulation. Cost-effectiveness will be assessed on a measure- and site-specific basis. All installed measures and energy education services will be provided free of charge. The selection of measures designed to reduce heating and cooling will be guided by a spending calculation based on past energy consumption, and is a guide for contractors, not an absolute or prescriptive target or cap. If the site needs are greater than the calculated spending guideline, the contractor will confer with the appropriate utility after documenting reasons for requesting to exceed the spending guideline. The utility will decide to what extent additional work can be performed.

Refrigerator or freezer replacement will be based upon on-site monitoring of the energy use of the existing unit. Consumption thresholds for cost-effective replacement vary according to size. Any refrigerator or freezer with measured consumption above the threshold values is eligible for free replacement with a new energy-efficient model. These values and procedures will be updated periodically to reflect changes in refrigerator costs and/or efficiency.

The cost-effective installation of energy-efficient lighting products will be based upon the wattage and the estimated average daily run time for the existing lamp.

Domestic hot water and other custom measures will be installed according to program guidelines.

The costs associated with health and safety, and home repairs, such as the repair of a roof, will be excluded from the cost effectiveness test used to determine measure eligibility.

Delivery Methods

Electric and natural gas utilities with overlapping service territories will jointly deliver efficiency, health and safety, and education services so that customers receive both natural gas and electric efficiency measures simultaneously. Selection of program delivery contractors and program delivery costs are shared between the participating natural gas and electric utilities. Currently, there are a total of six (6) installation contractors and one (1) quality assurance contractor that are under contract with the Utilities to perform the work in customer homes.

The Program will continue its efforts to address mold/moisture remediation, roof repairs, electrical repairs, and asbestos. Remediation will be considered on a case-by-case basis with the implementation contractors who will contract directly with the appropriate organizations, or approved subcontractors, following utility approval.

This fiscal year, the Utilities will work to sunset the use of the JCP&L web-based LEEN System as the statewide platform to track all program participants, measures and energy

savings. Maintenance and enhancements to the system will be paid for by JCP&L and are incorporated in the JCP&L administrative budget in Appendix A. Surplus funds for the maintenance and enhancement of the LEEN system will be shifted for use on customer incentives/measures once use of the system has been discontinued.

This fiscal year, the Utilities are targeting the launch of a new web-based system to replace LEEN called eTrack+. PSEG Services Company is the Contract Administrator of the contract with that vendor. The projected costs of that vendor and for administrative services offered by PSEG Services Company will be paid for by PSE&G and are included in PSE&G's administrative budget in Appendix A.

Quality Assurance Provisions

A minimum of 15% of randomly selected, treated homes will be subject to verification and inspection by an independent contractor(s) hired by the Utilities. Quality assurance processes will be continually reviewed and enhanced as required.

Budgets

A detailed budget for the Program is attached in Appendix A. Allocation of costs in different cost categories may appear to be inconsistent among Utilities. As an example, PSE&G covers the cost of statewide printing of Comfort Partners materials and the development, maintenance, and support of the new web-based system to replace LEEN, and JCP&L covers the cost of maintaining the LEEN System, until its retirement, and administering program evaluation. The Program spending allowance guidelines continue to be evaluated for Comfort Partners to be consistent with other low-income State weatherization programs.

The Utilities will request BPU Staff to review budget modifications as outlined in Docket No. EO13050376V ("February Order").¹ No budget modification shall be deemed approved until BPU Staff notifies the Utilities of approval. Budget modifications will be subject to all pertinent language reflected in the February Order, which includes the following:

1. Funds may be reallocated between Utilities and line items within the Program budget provided the overall Board-approved Program budget remains unchanged, and the overall statewide administrative costs for the Program are not increased;
2. Up to 10% of the Program budget may be reallocated within the Program during any 60-day period; and

¹ In re the Clean Energy Programs and Budget for Fiscal Year 2014; Revised Fiscal Year 2014 Budget and Delegation of Limited Budget Authority, BPU Docket No. EO13050376V, Order dated February 4, 2014.

3. The Program budget may be reduced if it appears unlikely that the Program budget will be exhausted. The Program budget may be determined to be underperforming, after a review of commitments, Program goals, participation levels, performance trends and other relevant factors. The Program budget reductions shall be limited to 10% within any 60-day period. The Program budget shall not be reduced by more than 25% within any 180-day period.

Goals and Energy Savings

Goals

In the Fiscal Year 2024 Comfort Partners Program Compliance filing, the target for the number of electric service customers to be served and committed is 4,781 on a twelve-month basis from July 1, 2023 through June 30, 2024. The target for the number of natural gas service customers to be served and committed is 4,420 on a twelve-month basis from July 1, 2023 through June 30, 2024.

Energy Savings

Energy saving estimates for the purpose of this filing were calculated using the latest protocols approved by the BPU on December 2, 2020, in Docket No. QO20090584.² Based on that standard and the projected number of customers served, it is estimated that the Program will now save approximately 3,304 MWH of electric and 25,521 MMBTU of natural gas during Fiscal Year 2024, with a lifetime savings of approximately 37,070 MWH of electric and 454,526 MMBTU of natural gas.

² In re New Jersey's Clean Energy Program – Fiscal Year 2021 Protocols to Measure Resource Savings, BPU Docket No. QO20090584, Order dated December 2, 2020.

Appendix A

Fiscal Year 2024 Comfort Partners Budget

July 1st 2023 - June 30th 2024 CP Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	\$2,842,694.00	\$269,897.00	\$50,175.00	\$48,225.00	\$2,374,979.00	\$99,418.00	\$0.00	\$0.00
JCP&L	\$6,170,212.00	\$702,559.00	\$127,109.00	\$100,609.00	\$5,025,455.00	\$214,480.00	\$0.00	\$0.00
PSE&G- Elec	\$9,927,623.00	\$1,687,509.00	\$211,509.00	\$160,509.00	\$7,575,473.00	\$292,623.00	\$0.00	\$0.00
RECO	\$311,200.00	\$68,800.00	\$13,800.00	\$13,800.00	\$190,000.00	\$24,800.00	\$0.00	\$0.00
NJNG	\$6,481,319.00	\$269,972.00	\$130,972.00	\$124,305.00	\$5,748,598.00	\$207,472.00	\$0.00	\$0.00
Elizabethtown	\$3,790,634.00	\$251,197.00	\$66,297.00	\$68,682.00	\$3,241,776.00	\$162,682.00	\$0.00	\$0.00
PSE&G-Gas	\$23,164,457.00	\$3,937,522.00	\$493,522.00	\$374,522.00	\$17,676,104.00	\$682,787.00	\$0.00	\$0.00
SJG	\$4,289,861.00	\$352,047.00	\$80,434.00	\$77,697.00	\$3,635,786.00	\$143,897.00	\$0.00	\$0.00
TOTAL	\$56,978,000.00	\$7,539,503.00	\$1,173,818.00	\$968,349.00	\$45,468,171.00	\$1,828,159.00	\$0.00	\$0.00
PSE&G - Combined	\$33,092,080.00	\$5,625,031.00	\$705,031.00	\$535,031.00	\$25,251,577.00	\$975,410.00	\$0.00	\$0.00



New Jersey's Clean Energy Program™
Fiscal Year 2024 Program Descriptions and Budget

**Energy Efficiency and Renewable Energy
Program Plan Filing**




FY24 Compliance Filing

June 29, 2023

(this page intentionally left blank)

Table of Contents

Introduction	5
Table References	7
PART 1 (Active Programs)	8
Commercial and Industrial Energy Efficiency Programs	9
General Overview	9
C&I Buildings: Large Energy Users.....	11
 C&I Buildings: LEUP Decarbonization Pilot.....	16
Local Government Energy Audit.....	21
New Construction Energy Efficiency Program	25
New Construction Energy Efficiency Program	25
Distributed Energy Resources	26
Overview.....	26
Combined Heat and Power - Fuel Cell	26
Renewable Energy	33
Solar Registration	33
Outreach, Website and Other - Outreach Plan	36
Outreach Plan.....	36
Appendix A: C&I and DER Incentive Caps and General Rules	61
Extension Policies.....	61
C&I / DER Incentive Caps	61
Appendix B: Multifamily Decision Tree	62
Appendix C: Program Budgets	63
Appendix D: Program Goals and Performance Metrics	64
Appendix E: Cost-Benefit Analysis	65

Cost-Benefit Tests	65
PART 2 (Legacy Programs being transitioned to NCP)	67
Residential Energy Efficiency Program.....	68
Residential New Construction Program	68
Commercial and Industrial Energy Efficiency Programs	75
General Overview	75
C&I Buildings: C&I New Construction	77
C&I Buildings: Pay for Performance - New Construction	82
C&I Buildings: Customer Tailored Energy Efficiency – New Construction	89
Appendix F: Residential Incentives (including Enhancements).....	94
Residential New Construction	94
Appendix G: C&I and DER Incentives and General Rules	95
Extension Policies.....	95
C&I / DER Incentive Caps	95
C&I New Construction Incentives.....	96

Introduction

This Fiscal Year 2024 (“FY24”) compliance filing (“Compliance Filing”) presents the program plans, budgets, and anticipated savings of those initiatives of *New Jersey’s Clean Energy Program*TM (“NJCEP”) administered by TRC.¹

Administered through the Division of Clean Energy, NJCEP is a signature initiative of the New Jersey Board of Public Utilities (“BPU” or “Board”) that provides financial incentives and support for energy efficiency technologies, distributed energy resources, and solar renewable energy.

Budgets

Budget information for the programs administered by TRC can be found in Appendix C: Program Budgets.²

All budgets set forth in this Compliance Filing are subject to state appropriations law, and all incentive offerings are subject to availability of funds.

Savings Goals

Energy savings projections for the programs administered by TRC can be found in Appendix D: Program Goals and Performance Metrics.

New Jersey's Energy Efficiency Program Transition

In 2018, Governor Murphy signed into law the landmark legislation known as the Clean Energy Act. The law called for a significant overhaul of New Jersey’s clean energy systems by building sustainable infrastructure to fight climate change and reduce carbon emissions, which will in turn create well-paying local jobs, grow the State’s economy, and improve public health while ensuring a cleaner environment for current and future residents.

As part of this statewide undertaking, the Clean Energy Act required New Jersey’s investor-owned gas and electric utility companies (“IOUs”) to reduce their customers’ use of gas and electricity by set percentages over time. To help reach these targets, the BPU approved a comprehensive

¹ This Compliance Filing only addresses programs implemented by TRC. NJCEP funds are also directed to other state energy programs not implemented by TRC and, therefore, are not addressed in this filing.

² The budget for all the new construction programs, including the anticipated redesigned New Construction Program and the legacy programs transitioning into that new program (see below in main text), will consist of the amount set forth at “New Construction Program.”

suite of efficiency programs that would transition the State to some of the highest energy savings in the country.

These “next generation” energy efficiency programs feature new ways of managing and delivering programs historically administered by NJCEP. Some of the programs will continue to be administered by NJCEP, but most have been transferred to the IOUs.

The programs that will continue to be administered by and through NJCEP are:

1. The potential New Construction Program (“NCP”).³
2. Large Energy Users Program (“LEUP”).
3. Local Government Energy Audit (“LGEA”) Program.
4. Combined Heat and Power – Fuel Cells (“CHP-FC”).
5. Renewable Energy (“RE”) (i.e., solar) Programs (“Solar Programs”).

Complete descriptions of the above-described programs and their incentives are set out in **Part 1** of this Compliance Filing.

The NCP, if approved, would in large part replace the legacy Residential New Construction (“RNC”), Commercial and Industrial (“C&I”) Buildings - New Construction (“SmartStart NC”); C&I Buildings: Pay for Performance - New Construction (“P4P NC”); and C&I Buildings: Customer Tailored Energy Efficiency Program for new construction (“CTEEP NC”) (collectively, “Legacy Programs”). The transition from the legacy new construction programs to the new NCP would take place on a schedule provided to stakeholders and the public through means other than this Compliance Filing. To the extent applicable during FY24 and beyond, complete descriptions of the Legacy Programs and their incentives are set out in **Part 2** of this Compliance Filing.

Certain other programs and/or program components identified in Appendix C: Program Budgets will continue to operate and expend NJCEP funds only for applications received during prior FYs in accordance with the applicable program rules in place during the applicable FY(s). In addition, the “EE Transition” Budget Line at Appendix C: Program Budgets is for the purpose of making payments during FY24 for any applications and/or appeals from rejected applications regarding programs that closed during or prior to FY23 (e.g., the now-closed residential HVAC Program).

³ See New Construction Energy Efficiency Program section below in this Compliance Filing for the status of the potential NCP.

Table References

Table 1: CHP-FC Technology and Incentive Levels.....	30
Table 2: CHP-FC Incentive Payment Schedule (other than for Feasibility Studies).....	31
Table 3: EMP Strategies versus Outreach Tactics.....	39
Table 4: Market Category Definitions.....	41
Table 5: Outreach Key Performance Indicators (12 months).....	56
Table 6: P4P NC Incentive Schedule.....	86
Table 7: CTEEP NC Schedule of Payments.....	92
Table 8: RNC Financial Incentives per Unit for ENERGY STAR New Construction Programs, Zero Energy Ready Home, and Zero Energy Home + RE.....	94
Table 9: C&I Custom Measure Incentives.....	96
Table 10: C&I Electric Chiller Incentives.....	97
Table 11: C&I Electric Chiller Minimum Efficiency Requirements.....	98
Table 12: C&I Gas Absorption Chiller Incentives.....	98
Table 13: C&I Regenerative Desiccant Unit Incentives.....	98
Table 14: C&I Unitary Electric HVAC Incentives.....	99
Table 15: C&I Air Source Heat Pump Incentives.....	100
Table 16: C&I Water Source Heat Pump Incentives.....	100
Table 17: C&I Single Packaged Vertical AC and Heat Pump Incentives.....	101
Table 18: C&I Ground Source Heat Pump Incentives.....	101
Table 19: C&I Packaged Terminal AC and Heat Pump Incentives.....	102
Table 20: C&I Electric HVAC Controls Incentives.....	102
Table 21: C&I Non-Condensing Boiler HVAC Incentives.....	103
Table 22: C&I Condensing Boiler HVAC Incentives.....	103
Table 23: C&I Gas Furnace and Infrared Heater Incentives.....	104
Table 24: C&I Domestic Hot Water Pipe Wrap Insulation Incentives.....	104
Table 25: C&I Gas Water Heating Incentives.....	105
Table 26: C&I Low-Flow Fixture Incentives.....	105
Table 27: C&I VFD Incentives.....	106
Table 28: VFD Eligible Size Range of Controlled Motor.....	107
Table 29: C&I Performance-Based Lighting Incentives.....	108
Table 30: C&I DLC® Certified Indoor Horticultural LED Fixtures.....	108
Table 31: C&I Dishwasher Incentives.....	109
Table 32: C&I Cooking Equipment Incentives.....	109
Table 33: C&I ENERGY STAR® Refrigerator and Freezer Incentives.....	110
Table 34: C&I ENERGY STAR® Ice Machine Incentives.....	111
Table 35: C&I ASTM Cooking Equipment Criteria.....	112

PART 1 (Active Programs)

Commercial and Industrial Energy Efficiency Programs

General Overview

The NJCEP C&I Energy Efficiency (“EE”) Programs (“C&I Programs”) are designed to help New Jersey’s businesses use electricity and natural gas more efficiently. Efficiency in electricity and gas usage will promote competition and increase industry success ensuring job retention and creation. There is also an environmental benefit to electricity and gas usage efficiency. Each individual C&I Program is described in more detail in the relevant subsections below.

The C&I Programs are designed to:

- Provide information on how to meet and exceed current energy code requirements so buildings operate more efficiently thereby minimizing operating costs;
- Encourage customers to choose high efficiency options when undertaking construction or equipment upgrades (i.e., when customers normally construct buildings or purchase building systems equipment);
- Support market transformation by providing information and incentives to help customers and designers make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices; and
- Stimulate commercial and industrial customer investments in energy efficiency that will support the growth of the industries that provide these products and services.

The C&I Programs address the key market barriers that make it challenging for developers, designers, engineers, and contractors to routinely incorporate energy efficiency in their projects, including:

- Lack of familiarity or uncertainty with energy efficient building technologies and designs;
- Bias toward lower initial cost and lack of procedures for considering lifetime building operating costs during decision-making;
- Compressed time schedules for design and construction;
- Aversion to risk involved with specifying technologies less familiar to the local design community despite the proven reliability of efficient technologies and designs; and
- Priorities for engineers, designers, and contractors that often do not align with incentive structures and energy efficiency considerations.

The C&I Programs employ a set of offerings and strategies to address the market barriers noted above and to achieve market transformation in equipment specification, building/system design, and lighting design. These include:

- Program emphasis on intervention during customer-initiated construction and equipment replacement events that are a normal part of their business practice;
- Coordinated and consistent outreach to C&I customers, especially large and centralized players, such as national/regional accounts, major developers, etc.;
- Consistent incentive levels for efficient electric and gas equipment and design practices to permanently raise efficiency levels;
- Information and technical support provided to customers and designers to make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices;

- Information and technical support provided to customers and designers to facilitate compliance with New Jersey's new commercial energy code, as well as future upgrades to that code; and
- Programs designed to meet the needs of a diverse set of customers, including non-profit entities, local governments, and businesses of all sizes.

Unless specifically stated otherwise in the following program descriptions, customers eligible for incentives under New Jersey's C&I EE Program are defined as non-residential electric and/or gas customers of one of New Jersey's regulated electric or gas utilities who contribute to the SBC. With the exception of the new construction segment, applicants to any of the NJCEP C&I EE Programs must be contributors to the SBC within the previous twelve months.

Construction projects are subject to prevailing wage requirements pursuant to L. 2009, c. 203, which amends L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to L. 1963, c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with BPU financial assistance programs. This law applies to contracts greater than the amount set forth by the New Jersey Department of Labor and Workforce Development. Unless otherwise stated in a program description, customers self-certify that they are complying with prevailing wage requirements by submitting an application to the program and receiving program incentives.

C&I Buildings: Large Energy Users

Program Purpose and Strategy Overview

The purpose of the Large Energy Users Program (“LEUP”) is to foster self-investment in energy efficiency and combined heat and power projects for New Jersey’s largest C&I non-hospital utility customers. This program was established in 2011 as a pilot following requests from these customers to develop a program specific to their needs and in recognition of their large contribution to the SBC. These large, sophisticated facilities have unique needs and internal processes which may not align with the structure of other C&I programs with respect to submission criteria or timing. The LEUP offers a more flexible process to these customers, many of whom have engineers on staff, but in turn requires that participating facilities comply with accountability processes to obtain incentives, thus assuring that the desired efficiency is achieved. The program supports various types of large customers spanning the pharmaceutical, higher education, industrial, building management, data center, and other commercial sectors.

Specific design features include:

- Ability to submit multiple projects/buildings under one application;
- Flexible application submission process providing the customer the opportunity to submit up to 3 scopes of work in each program year;
- Ability to participate in other programs while engaged in LEUP.

Support for Energy Master Plan (“EMP”) Goals

The LEUP will support many of the EMP’s strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 3.3 (Strengthen building and energy codes and appliance standards), especially its Goal 3.3.3 (Establish mechanisms to increase building efficiency in existing buildings).

Program Description

Incentives are awarded to customers that satisfy the program’s eligibility and program requirements (“Eligible Entities” or “Eligible Customers”) for investing in self-directed energy projects that are customized to meet the requirements of the customers’ existing facilities, while advancing the State’s energy efficiency, conservation, and greenhouse gas reduction goals. The program relies on eligible customers and their technical consultants to identify and develop qualifying energy efficiency projects that they believe will be beneficial for their operations and will meet program criteria as described below. In support of LEUP projects, the Program Manager will provide the following services:

- Budget management and energy savings reporting;
- Review and approval/rejection of all submitted enrollment submittals for program eligibility;

- Review and approval/rejection of all submitted Draft Energy Efficiency Plan (“DEEP”) submittals;⁴
- Review and approval/rejection of all submitted Final Energy Efficiency Plan (“FEEP”) submittals;
- Technical assistance via email and telephone to assist entities in the proper submittal of the required information;
- Updates of data tracking tools to incorporate additional tasks related to this initiative; and
- Incentive processing including issuance of checks and tracking/recordkeeping.

Eligible customers who wish to participate in the LEUP must comply with the standards and criteria below.

Target Markets and Eligibility

The LEUP is available on a first come, first served basis so long as funding is available to existing, large C&I buildings that meet the following qualifications:

- Eligible entities must have incurred at least \$5,000,000 in annual energy costs (on a pre-sales tax, aggregate of all buildings/sites) during the immediately preceding fiscal year. Eligible entities shall be defined as (1) Public: having distinct and separate budgetary authority; (2) Public Schools: having distinct and separate budgetary authority; and (3) Private: Non-residential companies including all related subsidiaries and affiliates regardless of separate EIN numbers or locations within New Jersey, consistent with Docket No. EO07030203⁵.
- Further, in order to be considered for incentives, the billed peak demand of each facility included in the DEEP/FEEP must meet or exceed 400kW and/or 4,000 DTherms.
- Finally, the limitations/restrictions listed below, including, among others, the exclusion of hospitals, apply.

Entities interested in applying to participate in the program will submit the following information through form(s) available through the NJCEP website and/or Program Manager:

- Number of buildings/sites and list of all associated utility and third-party supplier accounts;
- Energy cost, billed usage and number of location or premise IDs as provided by utility for each account from previous fiscal year.

⁴ Note: the approved entity may choose to skip the DEEP submittal and to submit only a FEEP.

⁵ In re the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 Through 2012 Clean Energy Program – Revised 2012-2013 Programs & Budgets – Revised Rebate Approval Process, BPU Docket No. EO07030203, Order dated May 3, 2013.

Submittal Requirements for Fund Commitment

Qualifying entities shall submit a FEEP to the Program Manager for existing facilities only. The FEEP must be submitted to the Program Manager for review three (3) months from the date of the DEEP approval letter.

Program Standards

1. All ECM must meet Minimum Performance Standards, which may be fulfilled during professional engineer review, which shall be understood as the most stringent of:
 - a. Large Energy Users Program Guide Appendix A;
 - b. ASHRAE 90.1-2019; and
 - c. Local code
2. ECMs must be fully installed no later than twelve months from approval of the FEEP, provided, however, that the Program Manager may allow up to twenty-four months where special circumstances beyond the reasonable control of the applicant (such as exceptionally large or complex projects or projects experiencing unusually severe supply chain disruptions or personnel shortages) justify such longer period. In addition, up to two extensions may be granted for a period of up to six months with satisfactory proof of project advancement and upon due cause otherwise. Project advancement may be demonstrated through copies of permits, equipment invoices, installation invoices indicating percentage complete, updated project schedules, and similar documents.

Limitations/Restrictions

1. New construction and substantial renovation (also known as gut renovation) projects are not eligible under the program.
2. Hospitals are not eligible for this LEUP.
3. Incentive will be limited to energy efficiency measures. The following shall not be included as part of this program:
 - a. Renewable energy; and
 - b. Maintenance energy saving projects
4. Incentives shall only be available for ECMs approved in the FEEP. The Program Administrator may waive this restriction on a case-by-case basis using the Board's usual waiver standard.
5. ECMs already installed or under construction will not be considered for incentives and shall not be included in FEEP. The Program Administrator may waive this restriction on a case-by-case basis using the Board's usual waiver standard.
6. Federal grants/incentives are allowed. Other state grants/incentives are allowed provided they do not originate from NJCEP funds. NJCEP loan funds are allowed. Funds provided by a New Jersey IOU are not allowed. The total of federal, state, and LEUP funding shall not exceed 100% of total project cost.
7. No DEEP or FEEP may have more than 50% of the overall total energy savings coming from lighting and/or lighting controls measures, unless the Program Manager determines the applicant has demonstrated the scope of work is otherwise comprehensive in that it:
 - a. Assesses of the cost-effectiveness of installing energy conservation measures in each of the following areas in a given building: (i) heating systems, (ii) cooling systems, (iii) ventilation systems, (iv) domestic hot water systems, and (v) building envelopes, and

- b. Implements all cost-effective energy conservation measures identified through the foregoing assessment in a given building or, as to any such measures not implemented, explains why such implementation would not be practicable. For example, a scope of work that does not include replacement of a 30-year-old atmospheric boiler would not be allowed to include lighting savings greater than 50% of the total energy savings.

Review and Payment Framework

1. Upon receipt of the FEEP, Program Manager will have sixty (60) days to review each submittal and provide comments to entity.
2. Program Administrator will present FEEPs to Board for approval as required by Board policy and commitment of incentive. The Program Administrator may conduct up to three site inspections per FEEP submission including a pre-inspection at 50% completion and 100% completion, as required.
3. If ECMs are not completed within the specified timeframe, incentive commitment may be forfeited.
4. Entity will provide M&V data as requested and will comply with any program evaluation activities.

Program Offerings and Incentives

The program will offer a maximum incentive, which will be the lesser of:

- 75% of total project(s) cost as identified in the FEEP(s). Total project costs may include pre-engineering costs, soft costs, and other costs associated with the preparation of the FEEP; and
- For all lighting measures: \$0.16/kWh per projected kWh saved annually; for all other measures: \$0.33 per projected kWh saved annually; \$3.75 per projected therms saved annually, all as identified in the FEEP(s); and
- \$4,000,000 per entity per FY, determined by summing the commitments associated with each FEEP approval made during the applicable FY.

The program has a minimum incentive commitment per FEEP of \$100,000. Projects with incentives below this threshold will be redirected to other programs. Incentives shall be reserved upon approval of the DEEP. Program funds will be committed upon approval of FEEP by the Program Manager and, if required, by BPU. Incentive shall be paid upon project completion and verification that all program requirements are met. Entities may submit up to three (3) DEEP/FEEPs throughout the program year.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all program participants. All energy efficiency plans are reviewed upon receipt to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and Program Administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Pre- and/or post- inspections and quality control file reviews will be conducted, as required.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

NEW

C&I Buildings: LEUP Decarbonization Pilot

Program Purpose and Strategy Overview

The purpose of the Decarbonization Pilot is to gauge the potential for energy programs to encourage certain New Jersey non-residential customers to reduce Greenhouse Gas (“GHG”) emissions. This proposed pilot is offered as an enhancement to NJCEP’s LEUP, which program allows large utility customers to submit a wide range of complex self-directed projects through a single program framework, maximizing the program’s effectiveness while minimizing the administrative burden on the customer. However, whereas the LEUP only allows energy efficiency projects, the Decarbonization Pilot will incentivize a broader scope of work such as energy efficiency, beneficial electrification, electric vehicle chargers, storage, and combined heat and power, among others. Unlike traditional energy efficiency programs, the Decarbonization Pilot is designed to explicitly target GHG emissions reductions. Prospective projects will be required to include a significant portion of non-energy efficiency measures within their overall scope to ensure that the pilot evaluates a broad range of decarbonization technologies.

Support for EMP Goals

The Decarbonization Pilot will directly support many of the State’s Energy Master Plan (EMP) strategies and goals, including, among others, the following:

EMP Code	EMP Goal	Technology
Primary Goal 1.1	Decarbonize the transportation sector	EV Chargers; Other Alternative Fuel Types
Primary Goal 2.3	Maximize local (on-site or remotely-sited) solar development and distributed energy resources by 2050	On-Site Renewables; CHP/FC
Primary Goal 3.1	Increase New Jersey’s overall energy efficiency	Energy Efficiency
Primary Goal 4.2	Start the transition to electrify existing oil- and propane-fueled buildings	Beneficial Electrification

Through this pilot, the program aims to:

- Gain better understanding of the effort and cost needed to develop and implement a Decarbonization Plan.
- Analyze the effectiveness of the incentive framework to encourage customers to reduce GHG emissions.
- Determine GHG reduction potential by use case scenario and by technology deployed.
- Determine customer receptivity to decarbonization solutions.

- Provide a qualitative analysis of the pilot and its potential as a program with a broader mandate.

Program Description

Incentives are awarded to customers that satisfy the pilot's eligibility and requirements for investing in self-directed energy projects that result in GHG reductions, as measured in terms of tons of carbon dioxide equivalent ("tCO₂e")⁶. The pilot relies on eligible customers and their technical consultants to identify and develop qualifying projects that they believe will be beneficial for their operations.

Target Markets and Eligibility

The pilot will focus on higher education (colleges/universities) customers because their campuses offer a wide range of building types and energy use cases, including, among others, large multi-unit residential (dormitory); one- to four-unit residential housing; classrooms; cafeterias; coffee shops; gymnasiums; student centers; laboratories/research facilities; offices; garages; libraries; auditoriums, vehicle fleets. Higher education customers also allow for opportunities to make deep system changes that could potentially be harder to model in a different setting. This could include more cross-category projects such as DR/renewables/EVs; whose combined impact would be more difficult to gauge for projects that are not at a contiguous site.

Due to the limited number of customers in the target market sector, this pilot will be open to all existing college/university customers that are accredited⁷ institutions that have a multi-building campus. To be eligible, any submission must encompass the entire campus or, if there is more than one campus, may encompass the entire collection of campuses owned or operated by the college/university.

Program Standards

- Eligible customers are required to submit a Draft and a Final Decarbonization Plan, which may be done through a preferred technical consultant. The plan must encompass the entire campus (or collection of campuses if the applicant owns or manages more than one campus) and include all decarbonization solutions that can reasonably be implemented within a 3-year period. Additional longer-term solutions may also be included at the customer's discretion.

⁶ The method for calculating tCO₂e will be set forth in the Program guide or other program documents.

⁷ Please refer to this site for a list of New Jersey's accredited institutions:
https://www.nj.gov/highereducation/colleges/schools_sector.shtml

- Each included decarbonization solution must meet the Minimum Performance Standards (“MPS”) of its specific equipment category. The relevant MPS for each such category shall be the most stringent of:
 - Large Energy Users Program Guide, Appendix A; or
 - ASHRAE 90.1-2019.
- Upon receipt of the draft and the final Decarbonization Plan, the Program Manager will have sixty (60) days to review the submittal and provide comments to the applicant. In addition to reviewing the anticipated magnitude of GHG reduction, the Program Manager will evaluate each as to the breadth and variety of the proposed scope of work, the expected useful life of the projects within that scope, and general cost effectiveness.
- Upon completion of its review, the Program Manager will reject or approve the Final Decarbonization Plan and, if approved, commit the incentive.
- Decarbonization measures must be fully installed no later than three years from the approval of the Decarbonization Plan. The commitment may provide for one or more progress payments to be made during this timeframe to accommodate work as it's completed.
- Up to two extensions may be granted for a period of up to six months for good cause shown. If measures are not completed within the specified timeframe, the related incentive commitment will be forfeited.
- The Program Manager may, in its discretion, conduct site inspections of sites covered by a pending or approved application, including, among others, a pre-inspection and inspections at 50% completion and 100% completion.
The Program Manager may, in its discretion, require participants to submit monitoring and verification (“M&V”) data and to otherwise reasonably cooperate with the Program Manager’s evaluation of the participant’s project and the pilot more generally.

Limitations/Restrictions

- Only those decarbonization measures implemented at existing buildings are eligible for incentives.
- The Decarbonization Plan may not address only a single category of equipment (i.e., an energy efficiency only project, a solar only project, an EV only project, etc.).
- Solar PV may be considered as part of the Decarbonization Plan for the purpose of meeting program requirements, but any financial incentives for solar must be applied for through only the solar programs (i.e., not this Decarbonization Pilot)
- Limitation on lighting savings will be the same as stipulated in LEUP.
- Incentives shall only be available for solutions set forth in the approved Decarbonization Plan. However, for good cause shown, the Program Manager may allow solutions to be added after the initial approval of the Decarbonization Plan.
- Measures already installed or under construction prior to the approval of the final Decarbonization Plan will not be considered for incentives and shall not be included in Decarbonization Plan.
- For electric generating equipment, such as CHP, GHG reduction credit will be given only for energy produced and consumed on-site.
- While eligible customers are allowed to participate in other NJCEP or utility programs, it is recommended that all decarbonization solutions be included comprehensively through this pilot. Should a customer choose to participate in another NJCEP or utility program

such customer cannot and will not receive incentives from this pilot for the same equipment.⁸ Should a customer nonetheless receive incentives or grants for GHG reductions from another NJCEP or utility program, the customer will nonetheless be required to quantify and report those reductions to the Program Manager of this Decarbonization Pilot.

- The Board and its contractors reserve the rights in their absolute discretion to deny applications they deem for any reason or no reason to be unsuitable for this pilot.
- In the event this pilot receives more applications than permitted by the allocated budget, the Board and its contractors reserve the right to prioritize applications based on geographic location so that participation is spread across the state's investor-owned utilities service territories.

Program Offerings and Incentives

The pilot will offer two incentives:

1. An incentive to offset 100% of the cost of developing the Decarbonization Plan.
 - a. This incentive is variable and will require a submission of a Proposal, whether from the applicant or its preferred technical consultant, outlining the proposed fees and any other relevant costs associated with developing the Decarbonization Plan. The proposal and final incentive amount are subject to screening and approval by the Program Manager.
 - b. Proposals already accepted and/or underway at the time of application to NJCEP are not eligible for this incentive.
2. \$1,000 per tCO₂e first year reductions based on the amounts set forth in the approved Final Decarbonization Plan.
 - a. This incentive is paid at completion of the approved decarbonization solutions.
 - b. As mentioned above, the commitment may in the Program Manager's discretion provide for one or more progress payments.
 - c. The incentive will be capped at the lesser of:
 - i. 75% of total project(s) cost (estimated or actual, whichever is less). Total project costs include material, labor, and generally accepted soft costs such as engineering and design, or

⁸ For the avoidance of doubt: (a) any and all solar projects shall be eligible to receive incentives only through the Board's solar program, not through this Decarbonization Pilot and (b) this Decarbonization Pilot does not in any way restrict its participants' ability to seek or receive federal incentives, tax credits, or loans.

- ii. \$5,000,000 per entity per FY for this pilot, determined by summing the commitments associated with each Final Decarbonization Plan approval made during the applicable FY.

Incentives are available on a first come, first served basis so long as funding is available.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all program participants. All Decarbonization Plans are reviewed upon receipt to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of decarbonization measure qualification and incentive calculation. Applicant supplied information and Program Manager performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Pre- and/or post- inspections and quality control file reviews will be conducted, as required.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Local Government Energy Audit

Program Purpose and Strategy Overview

The Local Government Energy Audit Program (“LGEA”) Program was launched as part of NJCEP’s portfolio in 2008 to provide financial incentives to cover the cost of having an energy audit performed on eligible facilities owned by municipalities, school districts, 501(c)(3) nonprofits, and other local and state government entities (“Applicant” or “Applicants”).

The goal of the energy audit is to provide Applicants with information on how their facilities use energy, identify ECMs that can reduce energy use, and put Applicants in a position to implement the ECMs. The energy audits also help guide Applicants towards appropriate incentive programs to help reduce costs associated with implementing the ECMs.

The program is also used as a means of qualifying applicants for other relevant initiatives, most notably the Energy Savings Improvement Program (“ESIP”) and Sustainable Jersey’s municipal and school programs. Collaboration with these programs can provide cost-effective benefits to these publicly funded facilities while helping to achieve mutual goals.

Support for EMP Goals and Strategies

The LGEA Program will support many of the EMP’s strategies and goals, including, among others, the following:

- Goal 1.1.6 (Continue to improve NJ TRANSIT’s environmental performance).
- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 3.3 (Strengthen building and energy codes and appliance standards), especially its Goals 3.3.5 (Improve energy efficiency in, and retrofit state buildings to, a high performance standard).
- Primary Goal Primary Goal 4.1 (Start the transition for new construction to be net zero carbon), especially its Goal 4.1.1 (Electrify state facilities).

Program Description

This program is implemented as follows:

- The Applicant will submit an application to the program identifying basic facility information such as, building type, square footage, and recently implemented ECMs, as well as the reason(s) for requesting an energy audit;
- A case manager will assist the Applicant in determining the audit path that best addresses the Applicant’s needs (as described below);

- Available energy audit paths include:
 - ASHRAE Level I audit⁹;
 - ASHRAE Level II audit; and
 - Add-on scope audits as provided for in the Program Guide or application materials (e.g., a more detailed review of an existing or potential RE system, a deeper feasibility assessment for rooftop photovoltaic (PV) system, or certifying a building as having met ENERGY STAR requirements).¹⁰

Each level of audit would also include a high-level feasibility assessment for electric vehicle (“EV”) charging stations.

- When an Applicant is enrolled in LGEA and participating in any NJCEP and/or utility-managed energy efficiency programs at the same time for the same facility(ies), the Program Manager will assess the impact the work may have on the energy audit and require the Applicant take one of the following actions within a determined timeframe, depending on the level of impact:
 - Proceed with energy audit and equipment upgrades (minimal impact);
 - Complete equipment upgrades prior to proceeding with energy audit process or vice versa (moderate impact); or
 - Cancel energy audit application (significant impact).
- If the initial program eligibility and application requirements have been met and the Applicant is approved to have an energy audit performed under this program, the Program Manager will issue an Approval Letter/Notice to Proceed to the Applicant.
- The scopes of work of the energy audit paths are consistent with Section 3.8.1 of RFP 16-X-23938, dated April 21, 2015, and the related Technical Proposal and Contract

⁹ From the ASHRAE Handbook:

Level I – Walk-through Assessment – Assess a building’s energy cost and efficiency by analyzing energy bills and conducting a brief survey of the building. A Level I energy analysis will identify and provide a savings and cost analysis of low-cost/no-cost measures. It will also provide a listing of potential capital improvements that merit further consideration, along with an initial judgment of potential costs and savings.

Level II – Energy Survey and Analysis – This includes a more detailed building survey and energy analysis. A breakdown of energy use within the building is provided. A Level II energy analysis identifies and provides the savings and cost analysis of all practical measures that meet the owner’s constraints and economic criteria, along with a discussion of any effect on operation and maintenance procedures. It also provides a listing of potential capital-intensive improvements that require more thorough data collections and analysis, along with an initial judgment of potential costs and savings. This level of analysis will be adequate for most buildings and measures.

Level III – Detailed Analysis of Capital-Intensive Modifications – This level of analysis focuses on potential capital-intensive projects identified during Level II and involves more detailed field data gathering and engineering analysis. It provides detailed project cost and savings information with a high level of confidence sufficient for major capital investment decisions.

¹⁰ For the avoidance of doubt, the add-on scope audits must be added on to a standard eligible audit and cannot be a standalone study.

(#A40225). Such scopes will also include work addressing water efficiency and conservation.

- In order to provide compatibility with the ESIP, the energy audit scope will include an evaluation of energy related water conservation measures (which may also be included in standard audit scopes), demand response potential, and estimated greenhouse gas reduction for each recommended measure.
- After verifying all program requirements have been met, the Program Manager will perform the audit, prepare an audit report, and notify the Applicant when the audit report is completed. Additionally, the Program Manager may meet in person or conduct a web/phone conference with the Applicant to discuss audit findings and next steps for implementing measures recommended in the report.

The LGEA will provide audits up to a value of \$150,000 per fiscal year, per Applicant.

- In applying the foregoing cap to state entities, LGEA will treat each State Agency and Department as a separate entity, but subject the group of State Departments (defined as all those entities using Tax ID: 21-6000928) to an overall cap of \$450,000 per fiscal year, which overall cap may, with the approval of Board Staff, be increased up to a maximum of \$1,000,000.
- For larger Applicants interested in pursuing ESIP (by selecting intent to pursue ESIP on the application), if the audit cost exceeds or is expected to exceed \$150,000, the Program Manager will work with the Board Staff to determine and authorize a larger cost cap, not to exceed \$300,000.
- For non-profit 501(c)(3) healthcare entities, the Program Manager will work with Board Staff to determine and authorize a larger cost cap, not to exceed \$300,000, so long as the funds exceeding the initial \$150,000 would be for auditing facilities designated as hospitals by the NJ Department of Health (“DOH”).

Target Markets and Eligibility

LGEA is open to the following eligible entities that contribute to the SBC through either their gas and/or electric utilities:

- “State contracting agency” as defined by N.J.S.A. 52:34-25;
- “Public agency” as defined by N.J.S.A. 52:35A-1;
- Local governments per Local Public Contracts Law (N.J.S.A. 40A:11-1);
- Local governments per Public School Contracts Law (N.J.S.A. 18A:18A-1);
- County colleges per County College Contracts Law (N.J.S.A. 18A:64A-25.1);
- NJ State Colleges or State Universities per State College Contracts Law (N.J.S.A. 18A:64-52); and
- Non-profit charitable organizations per Section 501(c)(3) of the Internal Revenue Code

Applicants may apply for an energy audit for buildings they own. A building may still be eligible if the Applicant leases the building and provides supporting documentation from the building owner authorizing the energy audit before it is performed.

Buildings must demonstrate an average demand of 200kW or greater in the most recent twelve (12) months of electric utility bills (inclusive of all accounts in the building) in order to qualify to

participate in LGEA. The Program Manager will have the ability to grant exceptions to the kW requirement, on a per building basis, if the Applicant can demonstrate it meets at least one of the following criteria:

1. ESIP is an anticipated source of funding;
2. Master or campus metering arrangement on-site where demand of any single building is unknown; or
3. The unavailability or inapplicability of other NJCEP or utility-sponsored energy efficiency programs at this time due to facility type or measure type.

For #2 and #3 above, the Applicant must provide a detailed explanation as to how it meets the criteria for the claimed exception.

LGEA is available to buildings never previously audited under the Program, as well as buildings that have received an audit no less than three years earlier (measured from the audit report approval date). All program requirements must be met in order for an entity to qualify for a second energy audit.

New Construction Energy Efficiency Program

New Construction Energy Efficiency Program

Board Staff is in the process of developing a redesigned New Construction Program (“NCP”) for consideration and possible approval by the Board. Meanwhile, the RNC Program and NJCEP’s other new construction Legacy Programs will continue to be administered as described below unless and until the Board approves the redesigned NCP or other program changes and the Board and/or Board Staff provide stakeholders and the public with a schedule for the transition from the new construction programs in effect at the time of the current proposed Compliance Filing to the new NCP.

Distributed Energy Resources

Overview

NJCEP promotes several categories of Distributed Energy Resources (“DER”) to assist in increasing market activities that will increase overall combined electricity delivery system efficiency, reduce overall system peak demand, further the use of emerging and renewable technologies, reduce emissions, and provide cost-effective reliability solutions for New Jersey while supporting the State’s EMP.

Combined Heat and Power - Fuel Cell

Program Purpose, Strategy, and Description

This NJCEP Combined Heat and Power – Fuel Cell (“CHP-FC”) Program offers incentives for Combined Heat and Power and Fuel Cell projects.

For the purposes of this program, Combined Heat and Power is defined as follows:

- Combined heat and power (“CHP”), also known as cogeneration, is the production of electricity and useful thermal energy from a single source fuel. Useful thermal energy means energy in the form of direct heat, steam, hot water, or other thermal form that is used for heating, cooling, humidity control, process use, or other valid thermal end-use energy requirements, and for which fuel or electricity would otherwise be consumed. Bio-power and partial bio-power projects that meet these criteria are considered to be CHP projects for Program purposes.

Waste Heat to Power (“WHP”) projects that comply with the following definition are treated as CHP projects by the program:

- Waste heat to power is the process of capturing waste heat discharged as a byproduct of an industrial process and using that heat to generate power. In this configuration, a source fuel is first used to provide thermal energy to meet load requirements of a process or system (i.e., not deliberately creating excess thermal energy for the purpose of electricity generation). The byproduct of this process is heat that would otherwise be wasted to the atmosphere. The waste heat is then repurposed to produce electricity, as opposed to, directly consuming additional fuel for this purpose.

Projects meeting the definitions of either CHP or WHP above are collectively referred to as CHP projects in the remainder of this Compliance Filing.

For the purposes of this program, fuel cells are not considered to be WHP or CHP.

For the purposes of this program, fuel cell (“FC”) is defined as follows:

- Power plants that produce electricity through an electrochemical reaction with a fuel source.

FCs are further broken down between “≥ 60% FCs” that can achieve an annual system efficiency of ≥ 60% (Higher Heating Value – HHV), based on total energy input and total utilized energy output (Efficiency) and “≥ 40% FCs” that can achieve an Efficiency ≥ 40% < 60%.

CHPs and FCs are all eligible for incentives through this program as set forth in more detail below.

Support for EMP Goals and Strategies

This program will support many of the EMP's strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Primary Goal 2.1 (100% clean power by 2050), especially its Goal 2.1.6 (Develop mechanisms to compensate distributed energy resources for their full value stack at the regional and federal level).

Target Market and Eligibility

This CHP-FC Program is open to all New Jersey C&I utility customers paying into the SBC. Applications are reviewed and funds are committed on a first come, first serve basis provided all program requirements are met. CHP-FC systems that receive funding from the Energy Resiliency Bank will not be eligible for incentives through NJCEP.

Equipment Eligibility

Natural gas, hydrogen, biogas, and mixed fuel (e.g., natural gas and biogas) CHP-FC equipment, as well as FC equipment using any fuel that is installed on the customer side of the utility meter, is eligible for incentives. For the avoidance of doubt, one hundred percent renewable fueled projects, including biogas and landfill gas-fueled projects that meet CHP-FC Program criteria, are also eligible to receive incentives.

To qualify for incentives, CHP and FC projects must meet all the following eligibility criteria:

- Equipment must be new, commercially available, and permanently installed. Expansion of an existing system with new equipment is also eligible. However, only the incremental expansion would be eligible for incentives; and
- Systems must operate a minimum of 5,000 full load equivalent hours per year (i.e. run at least 5,000 hours per year at full rated KW output). Board Staff may grant exceptions to the minimum operating hours requirement for Critical Facilities (as identified in the CHP Incentives section of this Compliance Filing), provided the proposed system operates a minimum of 3,500 full load equivalent hours per year and has islanding capability; and
- All FC project submissions must include documentation that the purchase price includes at least one stack upgrade at no additional cost to the customer/applicant so that the equipment's maximum useful life is realized; and
- All project submissions must contain specific cost data for providing the unit with blackstart/islanding capability regardless of whether the project will have that capability; and
- Installations of multiple systems planned for the same site within a twelve (12) month period must be combined into a single project.

To qualify for incentives, CHP projects must also meet all the following eligibility criteria:

- The CHP system must achieve an annual system efficiency of at least 60% (Higher Heating Value – HHV) based on total energy input and total utilized energy output. Mechanical energy may be included in the efficiency evaluation; and
- Waste heat utilization systems or other mechanical recovery systems are required for CHP projects. New electric generation equipment which captures waste heat or energy from existing systems is also allowed.

To qualify for incentives, FC projects must also meet the following eligibility criteria:

- FC systems must achieve an annual electric system efficiency of at least 40% (HHV) based on Net Useful Electric Power plus Net Useful Thermal Production (if any) divided by the Total Fuel Input at HHV.

Third party ownership (or leased equipment), such as procured under Power Purchase Agreements, is permitted within the program with the following provisions:

- In order to ensure the equipment remains on site and operational for the term of the agreement, a binding agreement is required between the parties. A copy of this agreement shall be provided to the Program Manager prior to commitment of incentives. The agreement should state that the equipment could be transferred to new owners should the property be sold or otherwise have a buyout provision such that the equipment remains on site and stays in operation. Only permanently installed equipment is eligible for incentives and must be physically demonstrable upon inspection prior to receiving an incentive. This can be demonstrated by electrical, thermal, and fuel connections in accordance with industry practices for permanently installed equipment and be secured to a permanent surface (e.g., foundation). Any indication of portability, including but not limited to, temporary structures, quick disconnects, unsecured equipment, wheels, carrying handles, dolly, trailer, or platform will deem the system ineligible;
- The customer/applicant will be allowed to sign over the incentive to the third-party owner. A valid project cost shall be demonstrated as part of the application in order to establish an appropriate incentive level; and
- All other program rules apply.

Not Eligible for CHP-FC Incentives

The following types of generating systems/equipment are not eligible for this CHP-FC Program:

- Used, refurbished, temporary, pilot, demonstration or portable equipment/systems;
- Back-Up Generators (systems intended for emergency or back-up generation purposes); and
- Any system/equipment that uses diesel fuel, other types of oil, or coal for continuous operation.

Manufacturer Diversity Caps for \geq 40% FCs

During FY24, that is, from July 1, 2023 through June 30, 2024, new incentive commitments for \geq 40% FCs are capped at \$4,500,000, and new incentive commitments for projects primarily

involving equipment from any single $\geq 40\%$ FC manufacturer are capped at \$2,000,000. By way of example, if during FY24 applicants A, B, C, and D have each been issued a \$500,000 commitment for $\geq 40\%$ FC projects using equipment primarily supplied by manufacturer D, no further commitments would be issued during FY24 for $\geq 40\%$ FC projects using manufacturer D's equipment.

Board Staff may approve exceptions to the above caps on a case-by-case basis if it determines that doing so is necessary to ensure full use of the current FY's FC and/or CHP-FC budgets.

Feasibility Studies

CHP and $\geq 60\%$ FCs are eligible for incentives for having completed and submitted to NJCEP a feasibility study. To be eligible for an incentive, the applicant must first submit its proposal for the feasibility study and have such proposal approved by the Program Manager. It, of course, must also submit the completed study itself, along with proof of its cost. The Program Manager will approve the proposal and final submittal only if it determines that that each is technically sound and is at a reasonable cost. Additional requirements are outlined in the Program Guidelines.

Incentives

Incentives vary based on CHP-FC technology, fuel source, type, the presence or absence of heat recovery, project size, and total project cost. Details on qualifying technologies and available incentives can be found in the Tables below in this Incentives subsection.

Applicants will not be allowed to receive incentives for the installed generation equipment from other available SBC-funded programs or from the Energy Resilience Bank. CHP-FC projects will be evaluated on a per site basis and incentives awarded accordingly. For the avoidance of doubt, if at any time prior to system installation and operation a project is cancelled or abandoned, the incentive funds paid to date must be promptly returned to NJCEP.

Feasibility Study Incentive for CHP and $\geq 60\%$ FCs Only

50% of the cost of the study, capped at an incentive of \$50,000 and payable upon NJCEP approval of the completed study. This incentive would, among other things, count towards all other applicable NJCEP caps.

Other CHP-FC Incentives

Table 1: CHP-FC Technology and Incentive Levels

Eligible Technology	Size		Incentive (\$/Watt) ⁽⁵⁾	% of Total Cost Cap per project	\$ Cap per project
	(Installed Capacity)	Rated			
CHPs powered by non-renewable or renewable fuel source, or a combination ⁽⁴⁾ : <ul style="list-style-type: none"> • Gas Internal Combustion Engine • Gas Combustion Turbine • Microturbine ≥ 60% FCs	≤500 kW ⁽¹⁾		\$2.00	30-40% ⁽²⁾	\$2 million
	>500 kW – 1 MW ⁽¹⁾		\$1.00		
	>1 MW – 3 MW ⁽¹⁾		\$0.55	30%	\$3 million
	>3 MW ⁽¹⁾		\$0.35		
≥ 40% FCs	All of the above ⁽¹⁾		Applicable amount above	30%	\$1 million
WHPs ⁽³⁾ Powered by non-renewable fuel source. Heat recovery or other mechanical recovery from existing equipment utilizing new electric generation equipment (e.g. steam turbine)	≤1 MW ⁽¹⁾		\$1.00	30%	\$2 million
	>1 MW ⁽¹⁾		\$0.50	30%	\$3 million

1. Incentives are tiered, which means the incentive levels vary based upon the installed rated capacity, as listed in the chart above. For example, a 4 MW CHP system would receive \$2.00/watt for the first 500 kW, \$1.00/watt for the second 500 kW, \$0.55/watt for the next 2 MW and \$0.35/watt for the last 1 MW (up to the caps listed).
2. The maximum incentive will be limited to 30% of total project. This cap will be increased to 40% where the recovered heat is used in a cooling application (e.g. absorption chiller) at the facility at which the CHP-FC system is located.
3. Projects installing CHP with WHP will be eligible for incentives shown above, not to exceed the lesser of percent per project cap or dollars per project cap of the CHP. Minimum efficiency will be calculated based on annual total electricity generated, utilized waste heat at the host site (i.e., not lost/rejected), and energy input.
4. Systems fueled by a Class 1 renewable fuel source are eligible for a 30% incentive bonus (additional to the incentives calculated in accordance with the table immediately above). If the fuel is mixed, the bonus will be prorated accordingly. For example, if the mix is 60/40 (60% being a Class 1 renewable), the bonus will be 18%. This bonus will be included in the final partial payment, based on system performance and fuel mix consumption data.

5. All CHP-FC systems located at Critical Facility and incorporating blackstart/islanding technology are eligible for a 25% incentive bonus (additional to the incentives calculated in accordance with the table immediately above). For this Program, a Critical Facility is any:
 - a. Public facility, including, without limitation, any federal, state, county, or municipal facility, or
 - b. Non-profit and/or private for-profit facility, including, without limitation, any hospital, water/wastewater treatment facility, school, multifamily building, or similar facility that:
 - i. Is determined to be either Tier 1 or critical infrastructure by the New Jersey State Office of Emergency Management or Office of Homeland Security and Preparedness, or
 - ii. Could serve as a Shelter during a power outage. For this Program, a Shelter is a facility able to provide food, sleeping arrangements, and other amenities to its residents and the community.

For the avoidance of doubt, any public facility is a Critical Facility.

6. The incentive bonuses described in the notes above shall count towards neither the % of Total Cost Cap per project nor the \$ Cap per project, in each case as included in Table 1: CHP-FC Technology and Incentive Levels.

Table 2: CHP-FC Incentive Payment Schedule (other than for Feasibility Studies)

1st – Purchase	2nd - Installation	3rd - Acceptance of post-installation data
30%	50%	20%

1. Projects will receive program incentives in three partial payments. The first incentive will be paid upon proof of purchase of equipment. The second incentive will be paid upon project installation and operation, including successful inspection. The third incentive will be paid upon acceptance and confirmation that the project is achieving the required performance thresholds based on twelve (12) months of continuous operating data submitted within eighteen (18) months of installation, with the foregoing deadline being subject to being extended for six (6) additional months by the Program Manager upon the request of the applicant submitted prior to the expiration of the deadline and for good cause shown.
 - a. If, due to impacts of COVID-19, the applicant is unable to provide the requisite twelve (12) months of representative data to demonstrate the project is achieving the required performance thresholds, the Program Manager is authorized to work with the applicant to develop and accept other reasonable methods for estimating or demonstrating whether or not the performance thresholds have been met.
2. Regarding the third incentive, if all other required performance thresholds are achieved:
 - a. And the total annual net kWh generated is $\geq 80\%$ of that specified in the Program-approved application, the full third incentive is earned.
 - b. But the total annual net kWh generated is $\geq 50\%$ but $< 80\%$, of that specified in the Program-approved application, the amount of the third incentive earned is reduced

proportionately by the ratio of actual total annual net kWh generated to the approved application total annual net kWh generated.

- c. But the total annual net kWh generated is <50% of that specified in the Program-approved application, no third incentive is earned.

Quality Control Provisions

Quality control provisions are designed to ensure that systems that receive incentives are operating as expected and providing the desired benefits to the State. All applications received are reviewed to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and Program Administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Renewable Energy

Solar Registration

Program Purpose and Strategy Overview

New Jersey's solar policies and Renewable Portfolio Standards ("RPS") have been established through legislation and implemented mainly through regulations and Board Orders. NJCEP's Solar Renewable Energy Certificate ("SREC") Registration Program ("SRP") was designed to meet the goals and objectives of the regulations in place at the time of its design. In 2020, the Board proposed and adopted regulations establishing a solar Transition Incentive ("TI") Program to provide a bridge between the legacy SRP and the then soon to be established Successor Program. In 2021, the Board proposed and adopted additional regulations establishing the Successor Solar Incentive ("SuSI") Program. The SuSI Program is comprised of two sub programs: 1) the Administratively Determined Incentive ("ADI") Program; and 2) the Competitive Solar Incentive ("CSI") Program, which CSI Program's application portal was opened to new applications on April 15, 2023.

Support for EMP Goals and Strategies

The Solar Programs support many of the EMP's strategies and goals, including, among others, the following:

- Primary Goal 2.1 (100% clean power by 2050), especially its Goal 2.1.1 (Meet the 50% Renewable Portfolio Standard by 2030 and explore possible regulatory structures to enable New Jersey to transition to 100% clean energy by 2050), Goal 2.1.2 (Ensure at least 75% of electricity demand is met by carbon-free renewable generation by 2050 and set interim targets), and Goal 2.1.3 (Routinely model scenarios and pathways to achieve 100% clean energy generation by 2050 with consideration for least-cost options).
- Primary Goal 2.3 (Maximize local (on-site or remotely-sited) solar development and distributed energy resources by 2050), especially its Goal 2.3.2 (Transition to a successor solar incentive program), which has been achieved.

Program Description

The Solar Registration Programs ("Solar Programs") provide registration for RECs for solar projects, including behind-the-meter, community solar, and direct grid-supply projects connected to the New Jersey electric distribution system. The Generation Attribute Tracking System ("GATS") operated by PJM Environmental Information Services is used for the tracking and trading of RECs.

Pursuant to the Board's regulations, each megawatt hour ("MWh") of solar generation generates one solar renewable energy certificate ("REC"), which REC represents the clean energy benefits related to the MWh. For the SREC Registration Program, the RECs are called "SRECs" and are tradable in an open market; for the TI Program, they are called Transitional RECs ("TRECs") and can be sold to a utility at a fixed price set by the Board; and, for the SuSI Program, they are called "SREC IIs" and can be sold to a utility at a fixed price. The values of the SREC-IIs under the ADI

Program are set by the Board in a declining block structure, and the values of the SREC-IIs under the CSI Program will be set through a solicitation process.

The Solar Registration Program team processes registrations and certifies solar projects as eligible for each of the three programs noted above. The SRP team will continue to process SREC and TI registrations submitted before those programs closed to new registrations and it will process any new registrations submitted for the SuSI Program.

FY24 Program Changes

The Solar Programs will be modified as required to remain consistent with any revisions to the programs approved by the Board, including, among others, the adoption of any specific requirements related to the permanent Community Solar Energy Program component of the SuSI Program, which requirements are expected to be approved by the Board in the near term.

Planned Program Implementation Activities

The Solar Programs will have the following areas of focus:

- Sustain the growth of New Jersey's solar markets, while communicating accurate and objective information on market development activity.
- Monitor legislative and policy developments, inform the market of key outstanding questions and decisions (e.g., new RPS levels, net metering rules), and translate new policies into program operational procedures, as required.
- Work with the Board and its staff to consider, develop, and implement possible programmatic changes, including those described below and otherwise implementing the Act.

Target Markets and Eligibility

Eligible solar technology is defined as a system that utilizes semi-conductor technologies to produce electricity directly from sunlight. All systems must meet program requirements regarding equipment certification, proper installation practices, and compliance with program procedures and processes. Solar PV systems connected to the electric distribution system serving New Jersey can participate in the programs.

Offerings and Customer Incentives

The Solar Programs provide a means for solar electric generation facilities to access a market where their RECs can be sold or traded. Solar generating facilities that are interconnected with the electric distribution system in New Jersey and that meet all applicable rule requirements, as well as all program requirements will be eligible to generate RECs upon successful completion of all requirements. The regulations governing RECs can be found at N.J.A.C. 14:8-2, 14:8-10, and 14:8-11. The program rules will continue to conform to these regulations.

In addition:

- A web based solar portal will be used for submitting registrations; and
- The Program Manager will prepare monthly reports identifying program results and trends including tracking capacity blocks for the SuSI Program.

Quality Control / Quality Assurance Provisions

All renewable energy systems facilitated through the SRP must be installed in accordance with program equipment requirements, program performance requirements, manufacturer specifications, and provisions of the National Electrical Code (“NEC”). The installer is also required to meet Solar Programs contractor license requirements.

Quality Control (“QC”) serves as a check to ensure specific parameters of a renewable energy installation have been achieved. Quality Assurance (“QA”) defines processes that ensure quality standards using efficient and cost-effective mechanisms.

The QA protocol requires diligence on the part of the “in-office” processing team to ensure the “Final As-Built” (Post-Construction) project information submitted as part of the final application paperwork is complete, correct, and in compliance with all program requirements. This review process is critical for the success of the QA function, which complements the on-site QC inspection process to ensure program compliance.

On-site verifications will be conducted for a pre-determined percentage of projects for residential and add-on systems that add additional capacity to a previously installed solar systems. An on-site verification will be performed for all grid-supply projects, behind the meter projects with a capacity greater than 500 kW, and community solar projects. The Program Manager may also conduct on-site verifications upon written request from the Board Staff or PJM-GATS to verify the cause for high meter reads or system production reading anomalies and submit written explanation of the findings to the Board Staff and PJM-GATS.

A pre-determined percentage of the projects that receive an inspection waiver will be randomly selected for a more in-depth paperwork review. The Program Manager reserves the right to request additional information, including, PV watts, shading analysis, photos, etc.

TRC will utilize the Contractor Remediation Procedures, as necessary or appropriate, to address significant performance or other problems.

Outreach, Website and Other - Outreach Plan

Outreach Plan

Executive Summary

This Outreach Plan (“Plan”) highlights the strategies and tactics that the TRC Outreach Team will use to raise awareness of new and existing NJCEP energy efficiency programs, and educate potential program applicants, contractors, and stakeholders.

This Plan supports the State’s EMP and specifically, the existing and proposed NJCEP programs:

- Local Government Energy Audit Program
- Large Energy Users Program
- New Construction Program
- Combined Heat & Power and Fuel Cells
- LEUP Decarbonization Pilot

New tactics for FY24 support the priorities and focus areas of BPU NJCEP and include:

- Support for the anticipated launch of the unified New Construction Program through enhanced education for trade allies and new program awareness tactics;
- Within the New Construction Program, support for the launch of the Workforce Development and Garden State Challenge Pilots with program awareness efforts, higher education collaboration, and ongoing applicant engagement;
- Support for the launch of the LEUP Decarbonization Pilot through direct outreach and organizational collaboration;
- Provide additional data regarding trade allies listed on website to assist customers in selection process;
- Provide NJCEP trade allies with a welcome packet, including an overview of program requirements and applicable program materials;
- Provide enhanced NJCEP program awareness at public events; and
- Expand external-facing program awareness through support in the development of collateral and messaging via coordinated efforts with BPU.

After gauging market interest and measuring success in FY23, improvements have been made to the existing outreach tactics to focus more deeply on specific NJCEP programs. The Outreach Team will continuously monitor success and adjust tactics as needed.

The Team will continue to focus on LMI customers and underserved communities as they continue to help raise awareness about the programs and how to use them. The New Construction Program will be a specific focus.

Background

As the state continued to recover from the COVID-19 pandemic, the Outreach Team increased its participation via in-person activities during FY23. The Outreach Team strategically shifted outreach tactics to allow for both in-person and hybrid customer and contractor engagement

activities. These strategies were embraced by the C&I market during FY23 and had a positive impact on application enrollment, presentations given, energy savings, trade ally recruitment, and audit program participation. This FY24 Outreach Plan incorporates lessons learned from past years and prioritizes tactics that increase engagement and energy savings over FY23.

Support for State’s Clean Energy Goals and Strategies

The Outreach Plan supports many of the State’s goals and strategies, as set forth in more detail below under Outreach Goals.

FY23 Highlights:

Program Performance

- Outreach activities took place in all 21 counties of New Jersey in FY23.
- Outreach-generated program applications totaled 363, reaching 93% of the annual goal by February 2023¹¹. These included applications for the Local Government Energy Audit, Large Energy Users Program, SmartStart Buildings, Pay for Performance, Combined Heat and Power, and Customer Tailored Energy Efficiency Programs for both new construction and eligible existing building projects.
- Trade ally training and program overview presentations for were recorded and made available on the Clean Energy Learning Center website. Program explainer videos for the School and Small Business Energy Efficiency Stimulus Program and the EE Transition were also created in collaboration with the Clean Energy Learning Center.
- Promotion of School and Small Business (“SSB”) Stimulus Program funding to eligible schools and small businesses lead to full commitment of the grant funds by March 2023.



● Small Business Stimulus

The GIS map shows women- and minority-owned businesses engaged within the counties of Monmouth, Middlesex, Somerset, Morris, Sussex, Union, Passaic, Bergen, Essex, and Hudson for the SSBS program

Equity

- Increased outreach to K-12 schools in underserved and overburdened communities, women- and minority-owned small businesses, business development organizations, and minority chambers of commerce in New Jersey. Outreach provided these audiences with NJCEP program information including the federally funded SSB Stimulus Program.
- Supported the SSB Stimulus Program by assisting in the development of website content, English and Spanish marketing material, and presentation content.

¹¹ Final data for FY23 will be presented in July/August 2023.

- Ongoing Hispanic community-focused outreach included translated collateral, providing Hispanic representatives at events, and offering customer/contractor support in Spanish.
- Targeted minority organizations for further program awareness by conducting presentations, attending events, and providing program information included the Statewide Hispanic Chamber of Commerce and the Bridgeton Chamber of Commerce – Hispanic Business Owners.

BPU Support

- Supported BPU-led initiatives through presentation content, providing leads for events to attend, and facilitating speaking requests to the BPU.
- The Clean Energy Champion position was designed based on BPU needs and filled in FY23. The Clean Energy Champion will deliver additional outreach support at residential and community events for BPU administered programs throughout the remainder of FY23.
- Supported the EE transition awareness messaging through updates to the Transition landing page, frequently asked questions, webpage banners and presentation slides, as well as collaboration with the Clean Energy Learning Center on a transition awareness explainer video, and content for the EE Stakeholder Committee Meetings.
- Conducted monthly coordination with Sustainable Jersey and the BPU for shared events and program messaging.



TRC coordinated and participated in a joint virtual presentation with the US Department of Agriculture



TRC exhibited at the Association of New Jersey's Environmental Commission's 49th Annual Environmental Congress, their first in-person event since the COVID-19 pandemic

Adaptable Market Strategies

- Delivered 91 presentations both in-person and virtual to a variety of trade focused, market sector, and community organizations.
- Participated in events specific to careers in energy efficiency to college students and educators at Rutgers, Stockton, and Rowan Universities. In collaboration with GreenFaith, Outreach Account Managers co-presented on Workforce Development for the *Gore Radio Show*.
- Edited content for NJCEP/BPU social media feeds.
- Completed monthly updates to the GIS tool which maps NJCEP-approved projects.
- Set up key relationships with organizations that are influential to new construction including the Construction Roundtable of New Jersey and the New Jersey Apartment Association.

- Maintained a board position with American Institute of Architects – New Jersey chapter and continued involvement with the U.S. Green Building Council and the Building Owners and Managers Association.
- Updated the NJCEP presentation template and slides with portfolio updates, program updates, and streamlined the end-user message.
- Provided feedback to the Marketing Team’s proposed campaign to address further awareness of energy efficiency programs run through NJCEP.
- Continued working in a hybrid environment by reaching the target markets virtually through webinars, targeted e-blasts, and in-person events. The Outreach Team participated in both in-person and virtual presentations and staffed booths at large conferences.

Outreach Goals

The Outreach Team supports the goals of NJCEP, as well as those of BPU and the Administration, including:

- **Support the Administration’s goal of 100% clean energy by 2035** – The Outreach Team will continue to support the State’s clean energy goals and will play a crucial role in meeting the objectives set forth in newly released Executive Orders 315, 316, and 317. Table 3 lists the seven EMP strategies and the associated level of outreach tactical emphasis planned in support of the FY24 NJCEP program suite.



Table 3: EMP Strategies versus Outreach Tactics

EMP Strategy	Outreach Tactics
1. Reduce Energy Consumption and Emissions from the Transportation Sector	
2. Accelerate Deployment of Renewable Energy and Distributed Energy Resources	
3. Maximize Energy Efficiency and Conservation and Reduce Peak Demand	
4. Reduce Energy Consumption and Emissions from the Building Sector	
5. Decarbonize and Modernize New Jersey’s Energy System	
6. Support Community Energy Planning and Action with an Emphasis on Encouraging and Supporting Participation by Low and Moderate Income and Environmental Justice Communities	
7. Expand the Clean Energy Innovation Economy	

- ***Promote programs to customers, contractors, and trade allies*** – TRC will actively represent NJCEP in the marketplace for all programs and program enhancements. We will work across all target markets to have the necessary information and training to fully engage in the programs.
- ***Support Environmental Justice to Overburdened Communities and customers*** – To support environmental justice for Overburdened Communities (defined by NJDEP) and customers, the Outreach Team will continue to collaborate with the BPU, other state agencies, and community organizations. Our goal for all customers to have a fair and equal opportunity to learn about and benefit from NJCEP offerings.
- ***Support the Marketing Team’s promotional efforts*** – Collaborate with BPU and the Marketing Team to deliver consistent marketing messages and themes. Program information will be shared as requested to highlight successes around program opportunities, successes, and events.
- ***Collaborate with BPU to reach specific sectors and customers*** – Jointly develop outreach strategies for specific sectors to leverage contacts and expertise.




The tactics outlined in this Plan support these goals. The Key Performance Indicators (KPI) and highlights will be included in a monthly report to track progress toward these goals.

[remainder of page intentionally blank]

Target Markets

NJCEP programs are available to both Investor-Owned Utility (IOU) and Non-IOU New Jersey customers. Outreach efforts address a vast audience across multiple markets including residential, business, local government, and nonprofit entities. The tactics described within this plan address these target markets to increase the reach and success of NJCEP programs.

Table 4: Market Category Definitions

Market Category	Definition
 Customer	Homeowners, Property Owners/Managers, Renters, Businesses, NPOs, State, County & Municipal Government Entities, Schools
 Contractor	HVAC & Insulation Contractors, Plumbers, Remodelers, Electricians, Program Contractors
 Trade Ally	Builders, Developers, Architects, HERS Raters, Consultants, ESCOs, Engineers, Realtors, Manufacturers, Distributors, Retailers, Certification Technicians
 Stakeholder	Community Organizations, Membership Organizations, Green Teams, State Agencies, Chambers of Commerce, Business and Economic Development Associations, Municipal Permitting and Local Code Enforcement Offices
 Partner	Marketsmith, Sustainable Jersey, NJ Institute of Technology, GreenFaith, County Improvement Authorities, Utilities (Atlantic City Electric, Elizabethtown Gas, Jersey Central Power & Light, Public Service Electric & Gas, New Jersey Natural Gas, Rockland Electric, South Jersey Gas), American Public Power Association, Environmental Protection Agency, ENERGY STAR, Department of Energy, United States Department of Agriculture (New Jersey), New Jersey Department of Environmental Protection, New Jersey Business Action Center, United States Green Building Council

Outreach Tactics

Tactics are how we achieve our goals. They are specific steps and actions taken to support the outreach strategy and give structure to day-to-day activities. Most tactics employed in FY24 address the goals of the State along with the Clean Energy Program portfolio at large. Some tactics are unique to markets and/or sectors as outlined below.

Customized Program-Specific Outreach

Outreach Account Managers focus on outreach designed to bring projects into the programs offered in this filing. Each program has different target markets, membership organizations, and other access points that require unique outreach tactics. A customized outreach approach for each program allows the Account Managers to serve as single points of contact for their designated geographic territories while specializing in specific focus areas needed to assist participants in navigating programs (those offered by NJCEP and their utilities), understanding their opportunities for energy savings, and applying to the programs.

Program awareness to existing and potential trade allies and customers is a primary source of project referrals. The Outreach Team identifies the program path that best fits their projects and offers ongoing support as they re-engage in the program with additional projects.

The Outreach Team will continue our educational training series specific to each sector to educate potential participants about the benefits of participation and help identify the program path most-suited to each potential participant's needs and interests. We will represent the entire NJCEP portfolio at events and triage inquiries about BPU-led initiatives to the BPU. Utility run programs will be referenced as a standard part of the messaging for increased clean energy awareness.



New Construction Program: Engage Contractors, Trade Allies, Technical Institutions, and Construction Permit Offices

**FY24 NEW
Program
Launch**

In FY24, the residential and C&I new construction programs will merge into a single streamlined New Construction Program as referenced in this filing. This unified program will change the way in which the Outreach Team networks and communicates with customers and trade allies about NJCEP offerings. The Outreach Team will create presentation slides, website content, assist trade allies with the new program design, and spread program information to industry and partner organizations.

New construction contractors and trade allies have direct contact and influence with potential new construction customers. The Outreach Team takes charge of maintaining and cultivating relationships with these trade allies by seeking program feedback and engaging with their associated professional organizations. This approach serves to improve the customer experience and enhance the quality of NJCEP programs. A goal is to minimize lost opportunities by proactively informing trade allies about program benefits during the planning and design phases of new construction projects.

In FY24 Account Managers will serve as single points of contact for registered NJCEP trade allies and work to recruit new trade allies within their geographic territories. Account Managers will provide program education to these partners through collateral, trade ally newsletters, social media

content development, program overview presentations/webinars, application training presentations/webinars, educational webinars, in-person lunch and learn staff trainings, project meetings, and events. Account Managers will also function as the educational link between customers and trade allies which includes builders, developers, contractors, stakeholders, facility managers, energy managers, and realtors. Account Managers support their assigned trade allies by providing awareness of other BPU administered programs.

Some contractors and membership organizations span both residential and C&I markets, such as the U.S. Green Buildings Council of NJ and the American Institute of Architects, while other organizations focus on specific building or development types. One such sector that focuses on a development type is indoor agriculture, a sector with which we are actively engaged through our relationships with groups including the NJ Cannabis Insider, Cannabis Regulatory Commission, US Department of Agriculture, and Rutgers Eco Complex. The new, unified New Construction Program allows the Outreach Team to have a more streamlined approach to partnering with these organizations, as well as a simplified process and message to their members.

Additional memberships and partnerships that support new construction offerings include among others:

- Associated Builders & Contractors
- Commerce & Industry Association of New Jersey
- Commercial Real Estate Development Association
- Construction Roundtable of New Jersey
- New Jersey Alliance for Action
- New Jersey Apartment Association
- New Jersey Association of Energy Engineers
- New Jersey Builders Association
- Jersey Shore Builders
- International Facility Management Association of New Jersey
- Metropolitan Builders & Contractors Association of New Jersey
- Society of Mechanical Engineers New Jersey
- Southern New Jersey Development Council

As the new construction industry in New Jersey continues to expand, we are actively updating our list of new construction stakeholders while encouraging NJCEP trade ally network participation. The active stakeholder list will be used to share program launch information and invite key decision-makers to NJCEP-hosted events including webinars, presentations, and NJCEP booths at industry trade shows and conferences. The Outreach Team will maintain up-to-date messaging that reflects program updates and references to other NJCEP programs that may be of interest to stakeholders.

In FY24, it is crucial that outreach efforts are complemented by marketing support: to transform the new construction marketplace; to increase consumer awareness; and to increase demand for highly energy efficient buildings. Outreach efforts will encourage builders to incorporate bundles of high efficiency equipment or use one of the higher efficiency pathways by partnering programs with ENERGY STAR, LEED, Passive Home, or Zero Energy Ready Homes. The Outreach Team helps increase public awareness through educational awareness such as co-op advertising,

sponsorship of events, project site construction signage, and post project completion placards. The Outreach Team will work with the BPU to recommend complimentary marketing strategies or campaigns.

In FY24 the outreach team will engage with universities, technical institutions, and trade schools to support a new workforce development component of NJCEP's New Construction Program with an emphasis on underserved student populations and institutions within New Jersey's overburdened communities. Outreach will provide awareness of the various LEED, AEE, and PHI courses and certifications offered for reimbursements, encouraging students within the various institutions to participate in this initiative.

Municipal permit and planning offices are also viable avenues to educate new construction contractors and building owners about NJCEP incentive programs at the early stage of a new construction project. In FY24, the Outreach Team will engage with these entities and prioritize outreach engagement campaigns to municipalities within state designated overburdened communities, providing educational collateral for distribution to new construction permittees.

Garden State Challenge Pilot: Promote a Low- to No-Carbon Future

FY24 NEW
Program
Launch

The Outreach Team will support the New Construction Program's Garden State Challenge Pilot by engaging architects, engineers, developers, builders, and trade allies within the targeted new construction building categories. These efforts will raise industry awareness and encourage the new construction market to adopt low- to no-carbon building designs, advancing a carbon-neutral future for New Jersey. The Outreach Team will conduct a concerted program awareness messaging campaign upon pilot launch, relying on its current list of new construction trade allies and contacts. The Outreach Team will work with these trade allies and stakeholders to identify and promote new construction projects at the early stages of planning and design, synchronizing program participation.

New Jersey colleges and universities will also be engaged to encourage forward-thinking graduate and undergraduate students to participate, while providing a valuable linkage to new construction project teams.

A dedicated Account Manager will work with the program lead and the BPU to develop engaging marketing material, website content, and social media messaging. This Account Manager will orchestrate focused outreach campaigns, monitor outreach effectiveness, attend groundbreaking events and ribbon cutting ceremonies, and provide ongoing support to program applicants.

An Account Manager will coordinate LGEA outreach efforts with the organization of informational campaigns, development of newsletter content, and involvement in annual conferences. Organizational involvement will continue with the Association of Counties, Conference of Mayors, School Buildings and Grounds Association, School Boards Association, and League of Municipalities. Equitable outreach for targeted overburdened towns and authorities will be included during FY24.



The New Jersey League of Municipalities' 107th annual conference provided meaningful face-to-face networking and a showcase of BPU and NJCEP programs in a post-COVID-19 environment

**FY24 NEW
Program
Launch**

LEUP Decarbonization Pilot:
Higher Education Target Market

The Outreach Team will harness existing relationships with higher education (colleges and universities) customers and conduct focused campaigns to encourage participation in the new LEUP Decarbonization Pilot. An Account Manager will coordinate this effort for awareness to eligible customers and their technical consultants of this program and assist in the design of promotional material. Engagement with this sector includes through calling campaigns, canvassing efforts, focused webinars, and in-person presentations.

Large Energy Users: Targeted Trade Allies

Outreach activities to expand the customers that participate in the Large Energy Users Program will be done in conjunction with the known contractors and trade allies who target these customers. Additionally, we will continue to maintain relationships with past program participants to ensure they remain engaged in the program as many applicants tend to re-apply each fiscal year.

Combined Heat & Power and Fuel Cell: Targeted Trade Allies

The Outreach Team will communicate any updated program information for the Combined Heat & Power and Fuel Cell Program via webinars and send an eblast to trade allies who have worked on past NJCEP CHP/FC projects.

Trade Ally Development

Recruiting, maintaining, and supporting a healthy trade ally network supports the overall success of the programs. Historical NJCEP data has shown that campaigns focused on recruiting new trade allies bring in the largest number of program applications. To streamline operations that support contractors and trade allies, an Account Manager will coordinate a plan for the team to engage the existing trade ally network and actively recruit new contractors, consultants, and other business entities that have an energy efficiency-focused business interest in New Jersey. The list of NJCEP trade allies will be divided amongst Account Managers to allow for a single outreach point of contact for inquires and regular communications. The lead Account Manager is responsible for developing content including collateral, newsletters, and presentations that recruit, train, and

support the trade allies. Individual Account Managers will continue to offer one-on-one, project specific assistance to their assigned trade allies.



Recruit

In FY23, the Outreach Team hosted monthly Trade Ally Engagement and Recruitment webinars that averaged over 25 registrants and resulted in the recruitment of 47 new trade allies. In FY24, using a combination of purchased lists and public-facing data, a strategic recruitment initiative will take place for leaders in New Jersey’s sectors such as new construction and local government code officials. Additionally, outreach will focus on contractors and residential raters who have previously participated in the programs. Recruitment efforts will take place through calling campaigns, professional organization involvement, and round-table events. The Outreach Team will create program collateral to support these efforts.

Train

A series of contractor trainings will be developed to address various areas of interest, including program benefits, program requirements, and application assistance. Trainings will offer short and streamlined messaging that will be recorded and saved on the program website and Clean Energy Learning Center in the form of short vignettes for future reference. The outreach lead will create and deliver content for the training presentations. In FY23, there were several application training and program overview webinars that were posted to The Clean Energy Learning Center.

A monthly 30-minute webinar with a focus on program awareness and trade ally recruitment will explore the details of the programs and showcase success stories. The target audience will be new contractors being recruited as well as existing contractors and their application processing staff who may need a program refresher.

Support

FY24 NEW
TA Toolkit &
Online Listing

The Outreach Team offers supports to program contractors through the trade ally network to solicit input on needs, feedback on their experience with the programs, and input on potential program changes or enhancements. Trade ally support includes:

- **Collateral** develop content to support contractors, general program awareness and focused, sector-specific collateral where applicable;
- **New Trade Ally Welcome Toolkit** provided to all newly approved NJCEP trade allies is a new FY24 feature. This toolkit includes an introductory email from their designated outreach contact, digital training material, program collateral, and additional support materials to be coordinated with the BPU;

- **Co-op Advertising** to leverage the NJCEP brand and assist new construction builders and raters in their marketing efforts will expand to C&I in FY24 with the anticipated launch of the New Construction Program;
- **Success Story** collaboration with Account Managers to develop a regular flow of new case studies for each program;
- **Monthly Newsletter** of program updates, collateral links, training invitations, and upcoming networking events;
- **In Person Quarterly Contractor Coffee** will be hosted by TRC to address questions the trade allies may have about the programs or application process. Program staff will be in attendance for detailed questions and facilitate networking; and
- **Annual/Bi-Annual Survey** to solicit feedback that will further allow the Outreach Team and program design team to support the program participants.

Several enhancements will be made to the trade ally list available on the NJCEP website. They include the inclusion of the business certification and past program participation:



An updated FY24 trade ally registration form will include New Jersey's Division of Revenue and Enterprise Services certification categories to encourage equitable participation in NJCEP's trade ally network and assist customers in their selection of an appropriate trade ally for their project. These certifications include:

- Disabled Veteran Owned Business (DVOB)
- LGBTQ+ Owned Business Enterprise (LBE)
- Minority Business Enterprise (MBE)
- Minority Women Business Enterprise (MWBE)
- Small Business Enterprise (SBE)
- Veteran Owned Business (VOB)
- Women Business Enterprise (WBE)

Listing trade ally experience with the programs by including data related to program use such as applications submitted/projects completed and other information. We can solicit additional input from Trade Allies on other enhancements that may help customers made a contractor selection.

Energy Efficiency Transition Support

As of July 1, 2021, some programs previously run by NJCEP are now run by the investor-owned utility companies. The process of the change is referred to as the Energy Efficiency Transition. During FY23, the Outreach Team continued to provide transition-related education and messaging as needed and ensured that the website content is in both English and Spanish. During FY24, the team will continue to provide ongoing support related to transition.

BPU Support

The Outreach Team will continue to support the BPU through the EE Stakeholder Meetings, public messaging, and website updates of new initiatives including the maintenance of the Transition Landing Page and Frequently Asked Questions in both English and Spanish.

Utility Coordination

TRC will continue to attend the EE Marketing workgroup meetings with utilities and BPU staff to participate in joint efforts around messaging and marketing. In FY23, this included the coordination of “key utility implementor” contacts for sharing information about projects with the potential to participate in the utility-sponsored programs. For example, when LGEA projects are at their final stage, the Outreach Team coordinates with their utility counterparts to provide existing building retrofit program information.

Expanded Outreach Education

A key outreach tactic is the education of trade allies and end-users about the positive environmental and financial impacts of participating in NJCEP programs. Educational efforts start with research and collateral development. The Outreach Team will identify and secure speaking opportunities to reach larger audiences to present the programs. The Outreach Team will continue to leverage and coordinate speaking or event engagements with BPU, utilities, Sustainable Jersey, GreenFaith, and other partners. These efforts lead to one-on-one assistance into the programs.

During FY24, we will continue to assess community, customer, trade ally, and partner needs to develop delivery timelines in collaboration with them. We will also evaluate the level of education needed for each audience and the need for sector specific collateral.

Customized Collateral Development

FY24 NEW
Collateral
Development

Customized, sector-specific collateral has become increasingly well received. In FY24, the Outreach Team will identify additional sectors that would benefit from customized collateral such as one-page summary sheets and case studies for design-build contractors, architects, developers, and end-users. The Outreach Team will use BPU’s one-page template with the option to include a new design; all collateral will be reviewed by BPU staff.

Known collateral needs are listed below. These materials will provide basic information to generate interest and direct the reader to an Account Manager who can then provide personalized guidance.

- **New Construction:** An overview of the New Construction Program offering. Collateral will need to be developed to educate and increase awareness of the newly designed program. Promotional materials will also be developed to support the Workforce Development component of this initiative and encourage program participation.
- **Garden State Challenge Pilot:** Promotional materials will be developed to support the awareness of the pilot to potential participants.
- **LEUP Decarbonization Pilot:** An overview and recruitment one-page collateral piece highlighting the new LEUP Decarbonization Pilot tailored to the higher education target market.
- **SEP Non-IOU Program:** An overview of the new energy efficiency program for non-IOU customers. Other pieces of collateral are needed to promote and educate program rules and requirements.

- **Case Studies:** One-page success stories with accompanying slides for all programs showcasing noteworthy projects that utilized NJCEP incentives to attain significant energy savings and reduced project payback periods.

Customized Training Series

The Outreach Team will continue to assess the educational needs of our various audiences. We will respond to those needs and adjust our presentations to reflect the most current suite of program offerings and provide enhanced training opportunities for trade allies. Moreover, we will conduct a series of trainings on the newly anticipated redesigned New Construction Program and its application process. The Outreach Team will continue to grow our current trade ally network and increase the number of contractors who understand and participate in NJCEP programs.

Expanded Program Awareness

The Outreach Team will support the education efforts and promotion of new programs and pilot programs. Efforts such as virtual trainings, NJCEP newsletters, and social media support will be developed to help increase program participation. Additionally, the Outreach Team will identify key projects that have utilized NJCEP program incentives for educational and program promotional activities.

Call Center Customer Support

An efficient and effective Outreach Team is characterized by its ability to provide informed responses to customer inquiries, creating a seamless pathway to program enrollment. One of the first contacts with a stakeholder may be through the Call Center which supports program outreach and operations by responding to inquiries about the Clean Energy Programs. The Call Center answers the toll-free telephone number (866-NJSMART) and responds to website and email inquiries. Call center support includes the following activities:

- Represent NJCEP in responding to public inquiries and requests;
- Discuss NJCEP programs with potential applicants; directing callers to appropriate NJCEP and/or BPU program website(s); and
- Forward inquiries that need further follow-up to NJCEP or BPU contacts.

TRC staffs the NJCEP Call Center from 8:00 a.m. ET to 7:00 p.m. ET, Monday through Friday, excluding State holidays. TRC responds to email inbox inquiries and voicemails within 24-48 business hours of receipt.

Call Center operations as described above will continue through FY24 to support the Clean Energy Program. As new programs and initiatives are established, call scripts and email templates will be updated for use by Call Center staff.

Multilingual Educational Outreach

Equity

According to the U.S. Census Bureau, New Jersey has a higher percentage of Spanish speaking households than the average in the United States and the highest percentage in the Northeast region of the United States. In FY23, select program collateral was translated and made available in Spanish. All applicable new and updated collateral for FY24 is planned to be made available in Spanish and English. Outreach pass-through funds have been set aside for professional translation services.

A Hispanic Account Manager oversees Spanish educational outreach, working with the Outreach Team to address the needs of Hispanic customers. This service will continue to align with new FY24 programs and will be a key outreach resource when engaging with bi-lingual organizations including the Statewide Hispanic Chamber of Commerce, and regional Chamber of Commerce - Hispanic Business Committees.

While Spanish is the main language spoken after English, the Outreach Team will also work with any community organizations that may request NJCEP collateral in other languages to offer translation services.

Support BPU-Led Initiatives

BPU and TRC each lead the development and delivery of the NJCEP initiatives. BPU-led initiatives include Electric Vehicles, Community Solar, Comfort Partners, and Community Energy Plan Grants, for example. It is important for the TRC and BPU-led initiatives to work together for consistent and comprehensive messaging to serve the full scope of customer needs.

To do so, the Outreach Team engages with customers to discuss their needs and provide awareness of the entire Clean Energy Program portfolio. The Outreach Team will continue to refine the NJCEP presentation so that the graphics and presentation flow addresses the audience's specific needs. The NJCEP portfolio overview infographic is used in most presentations to give an overview of the all programs available before diving into the discussion topic of the core presentation.

The Outreach Team stays up-to-date on BPU-led initiatives through BPU staff presentations. Outreach Team members can answer high level questions about BPU-led initiatives and direct specific inquiries to BPU staff, as needed. Many events that the Outreach Team already attends offer solid opportunities for the sharing information about BPU-led initiatives.

In March of FY23, the new position of NJCEP Clean Energy Champion was filled to staff events that are outside of the current umbrella of TRC energy efficiency outreach for programs. The Clean Energy Champion provides general awareness of clean energy initiatives and programs that the BPU administers. Events are identified through BPU requests, collaboration with regional green team hubs, and research based on records of previous events that had a residential focus.



NJ Business Action Center Hispanic Business Owners Event

The Outreach Team coordinates and processes the purchases and expenses related to printing program collateral related to TRC-led energy efficiency programs as needed for the BPU. The Outreach Team provides a current stock to the BPU and Outreach Team members, as well as at meetings and events.

BPU Support and Coordination

The Outreach Team will work closely with BPU staff to align program messaging and event representation with the priorities of the BPU. This includes regular status meetings to inform BPU staff of outreach activities, events, and speaking opportunities identified for BPU staff and/or Commissioners.

Support Commissioner Engagement

BPU Commissioners have expressed interest in continuing their involvement in the promotion of the programs, along with experiencing some of the interactions that take place between NJCEP participants and program staff. Commissioner participation supports the NJCEP, demonstrates program enthusiasm, and allows Commissioners to receive direct feedback from participants and stakeholders.

In FY23, we continued to identify speaking opportunities for BPU Commissioner and BPU staff participation and looked for opportunities for the Commissioners to engage with customers on a one-on-one basis.

In FY24, we will continue the “Commissioner Concierge” approach to support Commissioner events from beginning to end. A team member is assigned to supply the Commissioners and their staffs with a seamless speaking engagement experience. The Commissioner Concierge supplies specific background details as defined by BPU speaking engagement templates, such as presentation type and length, event agenda, speaking time window, bulleted program data points, and post-event networking opportunities. The Outreach Team will also provide site support for the Commissioners and their staff. Additional support requirements will be defined as required.

Coordinate with BPU Staff

Coordination with the Division of Clean Energy and Ombudsman’s Office is critical to ensure our messages are consistent, that we are not duplicating efforts, and that we are documenting both successes and opportunities for additional communication and outreach. We will coordinate with BPU staff to support and monitor cross-team outreach efforts to community organizations, local governments, and state agencies.

Regular reports, meetings, and calls will continue to address specific events and provide more in-depth knowledge into program information. We will continue to share event calendars and presentation content.



Outreach staff will attend meetings, site visits, or events as requested by the BPU staff. The Outreach Team will provide the relevant program presentation and materials for the meeting, in addition to conducting any follow-up needed to assist the customer in using the programs.

Coordinate with NJCEP Marketing

The Outreach Team will support the Marketing Team's marketing campaigns, both by responding to data information requests and by preparing program-specific plans. Collaboration will be critical as specific marketing plans are developed and implemented so that the Outreach Team can be prepared to support and provide the data needed.

The NJCEP branding and messaging that the Outreach Team uses will be consistent with the messaging of the marketing campaigns. The program benefits most from synchronized Marketing and Outreach coordination to best target NJCEP programs and provide equitable awareness of the programs. The Outreach Team proposes having monthly meetings with the Marketing Team to understand their timelines and to prepare the program staff for the upcoming focuses and workload shifts.

Create, Develop, and Maintain Partnerships

Maintaining partnerships is key to ensuring that the Outreach Team and Partners are aware of the other's initiatives and changes that occur. In FY24, we will continue to build upon our existing partnerships and pursue new partnerships that include Overburdened Communities, targeted community organizations, and new trade specific membership organizations.

Sustainable Jersey

Coordination with Sustainable Jersey will continue to support its participants who are interested in NJCEP and offer program guidance to their Energy Team. Outreach efforts will include:

- Working with the seven active Regional Hubs that bring together the Green Team representatives from all the participating towns in that region to share information about the Clean Energy Programs and develop coordinated plans to implement actions and measure success;
- Co-presenting webinars about NJCEP;
- Participating in the Sustainable Jersey Energy Task Force Meetings to provide input regarding updates to Sustainable Jersey relating to NJCEP initiatives;
- Coordinating with Sustainable Jersey on monthly conference calls about upcoming events, conferences, and inquiries it receives regarding NJCEP; and
- Training Sustainable Jersey's Environmental Defense Fund interns and Sustainable Jersey staff on the LGEA process, tips around LGEA outreach, and how to refer new construction opportunities to NJCEP staff.

County Improvement Authorities

The roles of County Improvement Authorities vary from county to county depending on their enabling laws. They typically support business retention and attraction for their respective

territories. Some may provide financing and tax incentives, and most work closely with their municipalities to support local growth initiatives. Improvement authorities also work closely with local chambers of commerce, rotary clubs, and business associations. They provide a platform to educate local government units and entities to programs that support their objectives. These organizations provide a valuable opportunity to promote the programs and help identify potential projects. Account Managers will continue to connect with improvement authorities to pro-actively seek opportunities to participate in meetings and events to create awareness of NJCEP offerings.

Investor-Owned Utilities

Collaboration with the State's utilities is critical to providing customers with a clear and understandable path while undertaking energy efficiency projects and obtaining financial incentives. The Outreach Team will strengthen these relationships, co-promote program offerings, and provide continued customer assistance. We will communicate program changes directly to utility contacts, so they are aware of the changes and can answer their customers' questions. Account Managers will work with utility representatives to understand their program offerings, enabling them to guide potentially eligible projects to programs that best fit customers' needs. In FY24, we will continue to offer co-presentation with utilities to relevant audiences, educating them on the transition, utility program offerings, NJCEP offerings, or a combination of these. Such partnerships may include joint presentations with organizations where NJCEP has an active presence or joint presentations at larger conferences.

Organizations, State, and Federal Agencies

The Outreach Team is an active member of several organizations listed below. The Outreach Team will investigate additional membership and partnership opportunities to leverage more speaking engagements and promotional options (e.g., newsletter articles, success stories).

- Association of Women Business Owners
- African American Chamber of Commerce of New Jersey
- American Institute of Architects New Jersey
- Housing and Community Development Network of New Jersey
- New Jersey Association of Counties
- New Jersey Association of School Business Officials
- New Jersey Conference of Mayors
- New Jersey League of Municipalities
- New Jersey School Boards Association
- New Jersey Veterans Chamber of Commerce
- Property Owners Association of New Jersey
- Shore Builders Association of Central New Jersey
- Statewide Hispanic Chamber of Commerce
- U.S. Green Building Council
- Regional Chambers of Commerce (Greater Elizabeth Chamber of Commerce, Newark Regional Business Partnership, North Essex Chamber of Commerce, Somerset County Business Partnership Chamber of Commerce)

State and federal relationships will be maintained as well, such as:

- U.S. Department of Agriculture - Project coordination with NJ staff to incorporate their grant program with NJCEP offerings;
- NJ Business Action Center - Project referrals to NJCEP and joint presentations;
- Design Lights Consortium - Active participation and applicable outreach with program committees;
- ENERGY STAR – Active participation and applicable outreach and marketing shared with BPU; and
- New Jersey Institute of Technology – Provide programmatic and educational content for the Clean Energy Learning Center.

Prepare the Market for Program Enhancements

NJCEP programs are continually updated and enhanced, typically on an annual basis. The Outreach Team supports customers, contractors, trade allies, and other stakeholders through these changes. FY24 program enhancements include the updates on programs within this filing and high-level updates on other BPU-led programs. The related outreach effort will include:

- Development and delivery of training for contractors and customers;
- Development and delivery of informational webinars;
- Newsletter articles for organizations;
- Presentations at conferences and trade shows;
- One-on-one customer engagement, including either in-person visits or virtual contact with, equipment manufacturers, contractors, builders, and architects;
- Website postings;
- E-mail blasts;
- NJCEP monthly newsletter;
- Communication with program partners;
- Collaboration with the Marketing Team on public facing materials; and
- Updates to presentations and collateral materials.

The Outreach Team will coordinate with BPU staff as it develops these plans and tools.

Delivery

The Team

The Outreach Team is comprised of an Outreach Manager, an Administrative Coordinator, Account Managers (AMs), and a Clean Energy Champion. This Team collaborates closely with BPU staff, and the market sectors identified above.



Outreach Manager

The Outreach Manager works with the BPU and the members of the Outreach Team to accomplish the tactics of this plan and the priorities of the Division of Clean Energy. The Outreach Manager oversees open and effective communication between the Outreach Team and the BPU, as well as regular reporting on Key Performance Indicators and Outreach event follow-up.

Administrative Coordinator

The Administrative Coordinator plays a key, office-based role in supporting Account Managers and the Clean Energy Champion. The Administrative Coordinator is a key communicator among professional organizations, event coordinators, the Outreach Team, and the BPU. The coordinator manages event logistics, supplies literature and giveaways, maintains the calendars of events and approvals, and processes purchasing. Their role may require the coordinator to attend some events and presentations in support of Outreach Team activities.

Account Managers & Expanded Program Awareness

Outreach Account Managers are the cornerstone of the Outreach Team. Account Managers tailor engagement to participant knowledge and expertise that are best suited for each unique project. Account Managers help make contractors, trade allies, stakeholders, and partners aware of NJCEP and submit applications to the NJCEP. They focus on specific programs since each program has a different target applicant type. Most are working on new construction and have a regional presence across the state of New Jersey. Each Account Manager has a lead position on the team. For example, the trade ally lead supervises the NJCEP trade ally network and orchestrates trade ally recruitment and engagement campaigns for the Outreach Account Management Team.

Expanded Program Awareness is new in FY24 to support several new program launches and create a larger NJCEP brand awareness of energy efficiency programs across the state. This will be done with dedicated outreach staff to assist BPU in the development of public facing content and materials. This role will take on new tasks identified with the BPU to support the programs and may include resuming the monthly NJCEP



Newsletter and taking a more active role in creative design items such as the development of program collateral, case studies, slides, social media suggestions, and sponsorship advertisements.

The SEP Non-IOU Program, LEUP Decarbonization Pilot, and New Construction Program are all new in FY24 and will require additional public awareness deliverables that this position will assist with as noted within this Filing. While all new programs require a series of deliverables at the time of program launch, the New Construction Program requires additional deliverables over the course of the first year. In addition, this team will leverage some of the trade allies and project site locations to expand program awareness to potentially include cobranded trade ally program collateral, trade ally window clings, point of purchase displays, public project signage, and select project completion events.

Clean Energy Champion (CEC)

The CEC promotes public awareness of all NJCEP programs including those administered directly by the BPU. The primary objective of the CEC is to enhance brand recognition thereby increasing program participation. The CEC will achieve this objective by identifying, organizing, managing, and attending residential and community clean energy events across New Jersey.

Key Performance Indicators and Reporting

Key Performance Indicators

The Outreach Team tracks the impacts of its efforts via key performance indicators (KPIs). The KPIs below are a sample of the metrics tracked and reported monthly. Monthly reports will be provided to BPU staff regarding progress toward goals, monthly planning, and other outreach activity. Additional details are provided in the monthly reports that are sub-metrics of these KPIs, such as the number of people engaged at events and presentations and the number of LGEA applications attributed to Outreach. The Outreach Team will continue to work with BPU staff to refine these reports.

Table 5: Outreach Key Performance Indicators (12 months)

Outreach	Annual Target
Application Enrollments: # of applications received attributed to outreach	215
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	1,200
Events: Events such as conferences and trade shows attended promoting NJCEP included events attended by the CEC	194
Presentations: Presentations made at events (not included in the above events) or hosted by NJCEP	70

FY24 KPIs are based on FY23 performance and assume that the Outreach Team efforts will continue to be a hybrid of virtual and in-person environment. Should work conditions change, KPIs may be adjusted.

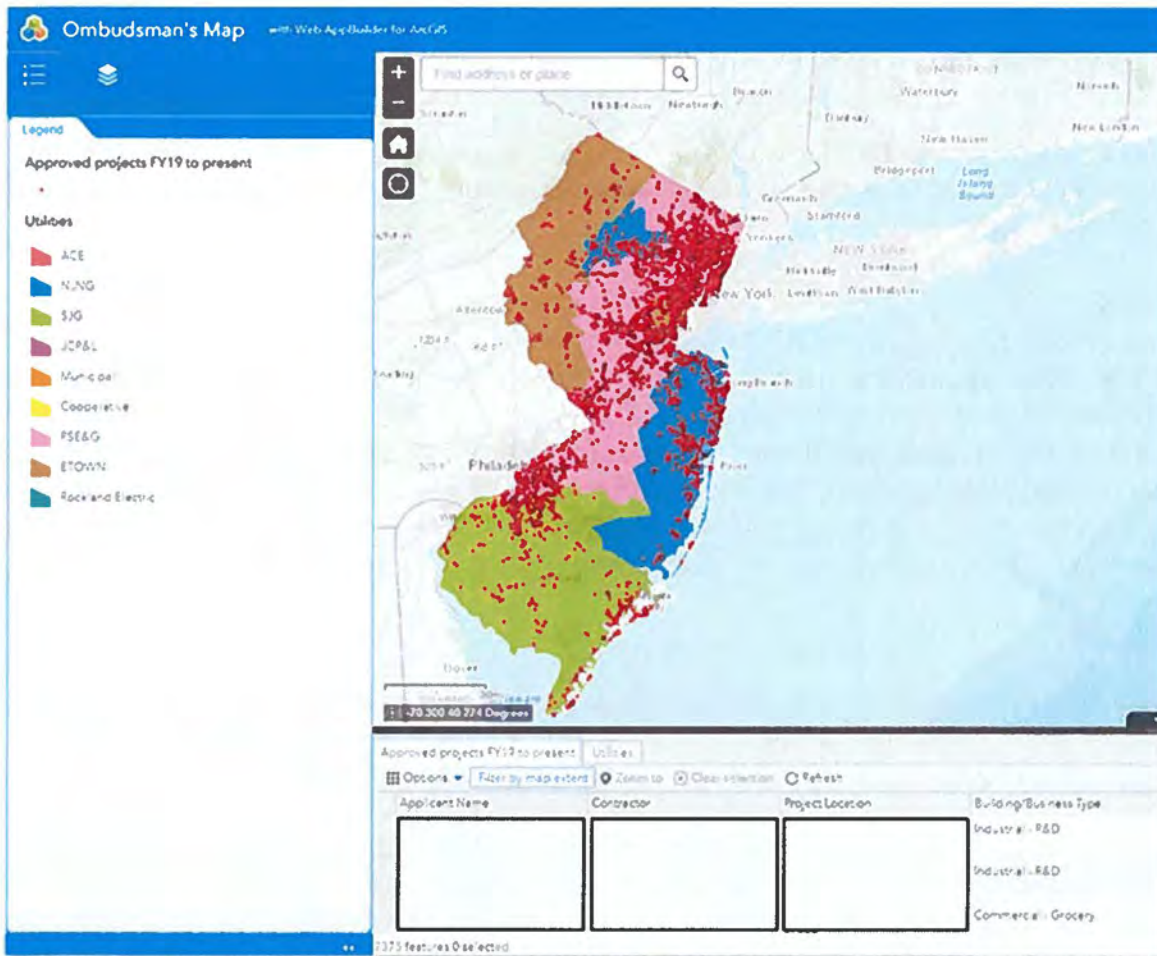
Reporting

A variety of tools help inform the BPU staff and Commissioners about outreach activities. Report formatting will be addressed to meet the needs for FY24. The Outreach Monthly Progress Report is the primary reporting tool. It contains a dashboard overview of KPI metrics and progress towards the goals. It highlights themes, events, and purchases completed throughout the month, as well as joint planning initiatives and partner collaboration. Additional reporting includes invoice back-up, a list of approved program projects, monthly call center summary, and updates made to the Office of the Ombudsman's GIS reporting system, described below.

GIS Reporting

A geographic information system (GIS) reporting platform delivers monthly data regarding incoming projects. This enhanced GIS application tool provides regional visualization that is used for internal planning and included in NJCEP quarterly reporting to the BPU.

The platform is accessible to Account Managers and the BPU's Office of the Ombudsman via desktop or mobile applications. Additional layers may be added at the request of the Office of the Ombudsman to coordinate efforts between its office and the Outreach Team. Data is updated monthly to include Outreach campaigns, opportunities, and project submissions. Maps are used as an outreach management tool and can be produced for BPU staff to include in presentations.



The Outreach Team manages the Ombudsman's Office ArcGIS access to "layers" such as these shaded zones showing utility coverage and the red circles indicating NJCEP approved project data that has been filtered by the user using any number of data fields

Rider A: Website

TRC will continue to host New Jersey's Clean Energy Program website.

A redesign of the website has been identified as a priority by the BPU. The Outreach Team looks forward to supporting those redesigning the site, and it will continue to provide feedback from interactions with trade allies and the public. An updated design will improve the user experience and facilitate customer and partner use the site by making it easier for them to find the most frequently used documents, submit applications, and identify new content. The new website will, through the use of website analytics, provide a better user experience and logical points of engagement along the customer's journey.

Rider B: Outreach Pass-Through Budget

The Outreach Pass-through budget supports activities specifically related to implementing the Outreach tactics described in the Outreach Plan. All expenses are approved in advance by BPU staff. Examples of expenses that support Outreach may include:

- Booth space at a trade shows
- Event registration costs
- NJCEP promotional giveaways
- Sponsorship at events and local chamber of commerce meetings
- Advertisements at events attended by outreach staff
- Printing of program collateral
- Translation services for program information/collateral

Appendix A: C&I and DER Incentive Caps and General Rules

Extension Policies

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six months or one year from the date of the letter approving the initial application. NJCEP provides for extensions of deadlines provided certain conditions are met. Program Managers in general are authorized to approve first and, in some cases, second extensions. Additional standards/guidelines for approving extensions and/or reinstatements are set out in the Compliance Filings and in the Guidelines established for each program. The Program Administrator, with the approval of Board staff, may approve up to two extensions, each of a length set by the PA with the approval of Board staff, beyond the extensions the Program Managers are authorized to approve.

C&I / DER Incentive Caps

Incentive caps have been established to ensure that there is equitable access to the C&I and DER programs for all qualifying customers. These caps have been established because of the potential scale of commercial/industrial projects, where a few extremely large projects could otherwise consume a significant share of the available budgets, leaving other customers unable to access project funding.

Program / Project Incentive Caps

Most C&I and DER programs set incentive caps on a program per FY and/or per project basis; those caps are described in the program descriptions and/or incentive descriptions in this Compliance Filing.

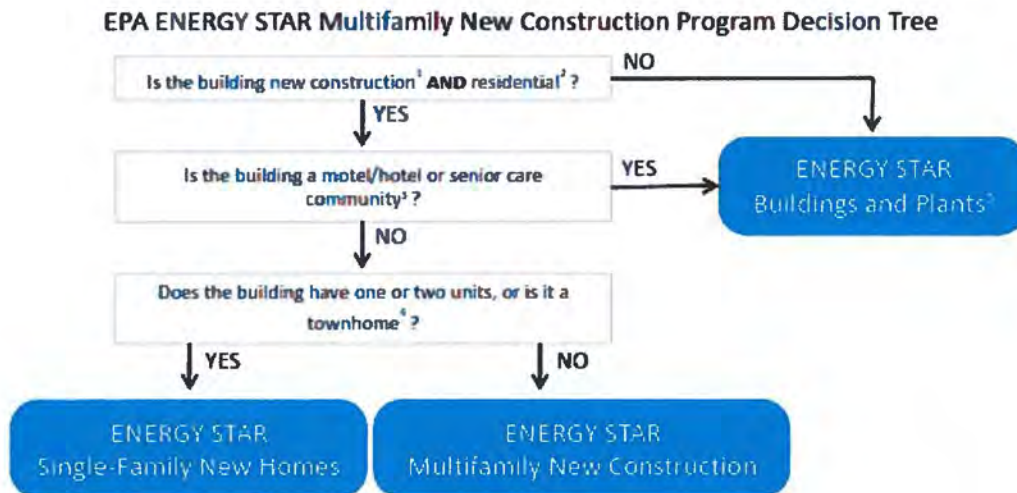
Total Cost Incentive Cap

No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost¹² of measures installed or performed.

¹² Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

Appendix B: Multifamily Decision Tree

Figure 1 ENERGY STAR Multifamily Decision Tree (May 2021)



NOTES:

1. New construction can include significant gut rehabilitations if the building is able to meet all the program requirements.
2. The primary use of the building must be for a residential purpose. In a mixed-use building, the dwelling units, sleeping units, and common space combined must exceed 50% of the building's square footage. Parking garage square footage is excluded from this calculation. Common space includes any spaces in the building that serve a function in support of the residential part of the building, that is not part of a dwelling or sleeping unit. This includes spaces used by residents, such as corridors, stairs, lobbies, laundry rooms, exercise rooms, residential recreation rooms, and dining halls, as well as offices and other spaces used by building management, administration, or maintenance in support of the residents.
3. Assisted living and skilled nursing facilities that meet the definition of [Senior Care Communities](#) are **not** eligible for the MFNC program. Dormitories, residence halls, buildings with single-room occupancies, supportive housing, cohousing, and other non-senior assisted living facilities are eligible for the MFNC program.
4. Townhomes may choose to use the Multifamily New Construction Checklists as well, but they must use the ERI Path and Single-Family New Homes Reference Design. A townhome is defined as a single-family dwelling unit constructed in a group of three or more attached units in which each unit extends from the foundation to roof and with open space on at least two sides.
5. As of September 16, 2014, multifamily buildings, with at least 1 year of actual, whole building energy use data are eligible to earn the ENERGY STAR using EPA's Portfolio Manager. Portfolio Manager compares a multifamily building's measured performance against a database of similar buildings to generate a 1-100 score. Buildings that score 75 or above earn the ENERGY STAR. For more information on how multifamily buildings can earn the ENERGY STAR with Portfolio Manager please visit [the eligibility criteria for the 1-100 ENERGY STAR score page](#).

New construction commercial facilities such as motels/hotels, nursing homes, and assisted-living facilities do not qualify under the Multifamily New Construction program, however, they may be eligible to earn the ENERGY STAR through the EPA's commercial and industrial programs. To learn more about how these and other existing commercial buildings can earn ENERGY STAR certification, please visit the [Buildings and Plants](#) page. To learn more about the new construction program for commercial buildings visit www.energystar.gov/DesignToEarn.

Appendix C: Program Budgets

TRC FY24		FY24 Cost Category Budgets					
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total TRC	\$169,065,793	\$13,179,153	\$4,210,900	\$145,500	\$146,834,629	\$4,695,611	\$0
EE Programs	\$143,809,462	\$10,782,788	\$261,540	\$83,000	\$130,140,412	\$2,541,722	\$0
New Construction Program	\$60,571,611	\$5,303,606	\$87,180	\$62,500	\$53,322,962	\$1,795,363	\$0
New Construction Program	\$60,571,611	\$5,303,606	\$87,180	\$62,500	\$53,322,962	\$1,795,363	\$0
C&I EE Programs	\$83,217,851	\$5,479,182	\$174,360	\$20,500	\$76,797,450	\$746,359	\$0
C&I Buildings	\$76,288,155	\$3,707,072	\$87,180	\$8,000	\$72,140,627	\$345,276	\$0
LGEA	\$5,362,042	\$1,194,771	\$87,180	\$12,500	\$3,667,636	\$399,955	\$0
DI	\$1,567,654	\$577,339	\$0	\$0	\$989,187	\$1,128	\$0
Energy Efficiency Transition	\$20,000	\$0	\$0	\$0	\$20,000	\$0	\$0
Energy Efficiency Transition	\$20,000	\$0	\$0	\$0	\$20,000	\$0	\$0
Distributed Energy Resources	\$17,992,661	\$943,080	\$87,180	\$25,000	\$16,694,217	\$243,184	\$0
CHP - Fuel Cell	\$17,992,661	\$943,080	\$87,180	\$25,000	\$16,694,217	\$243,184	\$0
RE Programs	\$3,488,670	\$1,453,285	\$87,180	\$37,500	\$0	\$1,910,705	\$0
Solar Registration	\$3,488,670	\$1,453,285	\$87,180	\$37,500	\$0	\$1,910,705	\$0
Planning and Administration	\$3,775,000	\$0	\$3,775,000	\$0	\$0	\$0	\$0
Outreach and Education	\$3,775,000	\$0	\$3,775,000	\$0	\$0	\$0	\$0
Outreach, Website, Other	\$3,775,000	\$0	\$3,775,000	\$0	\$0	\$0	\$0

Appendix D: Program Goals and Performance Metrics

NJCEP FY24 Energy Savings Goals: Portfolio Summary					
<i>Program/Budget Line</i>	<i>Annual MWH Savings</i>	<i>Lifetime MWH Savings</i>	<i>MW Savings</i>	<i>Annual MMBTU Savings</i>	<i>Lifetime MMBTU Savings</i>
Total TRC	188,257	3,266,286	28.8	487,485	9,106,862
EE Programs	65,738	1,122,556	12.3	260,462	5,134,028
C&I EE Programs	45,749	759,308	10.2	145,138	2,892,191
C&I Buildings	45,473	755,175	10.2	144,000	2,872,686
C&I Retrofit	3,630	57,100	0.5	831	15,350
P4P EB	18,555	292,788	7.2	71,885	1,574,283
LEUP	23,184	403,637	2.4	71,284	1,283,053
Customer Tailored EB	30	474	0.0	0	0
Customer Tailored NC	75	1,176	0.0	0	0
LGEA	0	0	0.0	0	0
DI	276	4,133	0.1	1,138	19,505
New Construction	19,988	363,247	2.0	115,324	2,241,836
NCP	9,894	179,799	1.4	24,356	473,463
RNC	4,691	93,814	1.2	75,580	1,511,588
C&I NC	4,418	73,881	0.6	775	13,763
P4P NC	986	15,753	(1.2)	14,614	243,023
Distributed Energy Resources	122,519	2,143,730	16.6	227,023	3,972,835

Appendix E: Cost-Benefit Analysis

Cost-effectiveness analysis compares the costs and benefits of energy efficiency and renewable energy measures, programs and portfolios of programs. Estimates of both costs and benefits are relative to those that would otherwise have been incurred had “baseline” or “standard” equipment, building systems and/or energy using practices been purchased or remained in place. A measure, program, or portfolio is considered cost-effective if the benefit-cost ratio is 1.0 or greater.

TRC, in collaboration with the Center for Green Building of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, conducted a cost-benefit analysis (“CBA”) for residential, commercial, and industrial NJCEP EE programs.

Cost-Benefit Tests

Benefit cost ratios for each of the five traditional cost-effective tests were developed. The five tests are: Participant Cost Test, Program Administration Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test and Societal Cost Test.¹³ In addition, a benefit cost ratio was also developed using the New Jersey Cost Test.

Participant Cost Test: The measure of the quantifiable benefits and costs to the customer attributed to participation in a program. The participant benefits are equal to the sum of any participant incentives paid, any reductions in bills, and any federal or state tax deductions or credits. Participant costs include any out-of-pocket costs associated with the program.

Program Administrator Cost Test: The costs of a program as a resource option based on the costs incurred by the program administrator including incentive costs and excluding any costs incurred by the participant. The benefits are the avoided supply costs of energy and demand and the reduction in capacity valued at marginal costs for the periods when there is a load reduction. The costs are the program costs incurred by the administrator, the incentives paid to the customers, and the increased supply costs for the periods in which load is increased.

Ratepayer Impact Measure Test: Measure of what happens to customer bills or rates due to changes in revenues and operating costs caused by the program. The benefits equal the savings from avoided supply costs, including the reduction in capacity costs for periods when load has been reduced and the increase in revenues for periods in which load has increased. The costs are the program costs incurred by administration of the program, the incentives paid to the participant, decreased revenues for any periods in which load has been decreased and increased supply costs for any periods when load has increased.

Total Resource Cost Test: The costs of a program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. This test represents the combination of the effects of a program on both the participating and non-participating customers. The benefits are the avoided supply costs, federal tax credits, and the reduction in generation and

¹³ California Standard Practice Manual. Economic Analysis of Demand-Side Programs and Projects. (October 2001).

capacity costs valued at marginal cost for the periods when there is a load reduction. The costs are the program costs paid by the utility and participants plus the increase in supply costs for the periods in which load is increased.

Societal Cost Test: Attempts to quantify the change in the total resource costs to society as a whole rather than only to the utility and its ratepayers. Costs include all consumer, utility and program expenses. Benefits associated with the societal perspective include avoided power supply costs, capacity benefits, avoided transmission and distribution costs, and emissions savings. It has been assumed that wholesale electricity prices account for the national sulfur dioxide and nitrogen oxide allowance. Therefore, the societal cost test includes only emissions savings accrued from carbon dioxide. Federal tax credits are not included.

New Jersey Cost Test: In accordance with the Board’s Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs, In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, Docket Nos. QO19010040, QO19060748 & QO17091004 (June 10, 2020) (“Framework Order”), this test uses the California Standard Practice Manual’s (“CSPM’s”) Total Resource Cost Test, which includes consideration of certain non-energy impacts. Its avoided cost values are based upon the Rutgers University Center for Green Building Technical Memo, Energy Efficiency Benefit-Cost Analysis Avoided Cost Assumptions for 2019 BCA, March 2021, Updated May 6, 2021. In the future, and after considering any stakeholder input, this test may be revised to include additional non-energy impacts.

The table below includes the results of the benefit cost modeling.

NJCEP FY24 Prospective Benefit Cost Analysis						
Program/Budget Line	PCT	PACT	RIM	TRC	SCT	Modified NJCT
Total TRC	4.4	3.0	0.3	1.3	1.8	3.0
EE Programs	3.2	1.4	0.3	0.8	1.1	1.9
C&I EE Programs	3.0	1.6	0.3	0.9	1.2	2.0
C&I Buildings	3.0	1.9	0.3	0.9	1.3	2.1
C&I Retrofit	1.4	0.6	0.2	0.3	0.4	0.7
P4P EB	3.4	3.1	0.5	1.4	1.8	3.1
LEUP	3.1	1.6	0.3	0.8	1.1	1.9
Customer Tailored EB	2.3	0.1	0.1	0.1	0.2	0.3
Customer Tailored NC	1.3	0.2	0.1	0.1	0.2	0.3
LGEA	0.0	0.0	0.0	0.0	0.0	0.0
DI	2.3	0.2	0.1	0.2	0.2	0.4
New Construction	3.8	1.0	0.2	0.7	1.0	1.7
NCP	4.2	1.0	0.3	0.8	1.2	2.0
RNC	3.1	1.0	0.3	0.7	0.8	1.4
C&I NC	5.4	1.3	0.3	0.9	1.4	2.4
P4P NC	5.1	0.5	0.2	0.5	0.6	1.0
Distributed Energy Resources	6.3	13.1	0.3	2.0	2.9	4.9

PART 2 (Legacy Programs being transitioned to NCP)

Residential Energy Efficiency Program

Residential New Construction Program

As noted in the Introduction to this Compliance Filing, this program will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP.

Program Purpose and Strategy Overview

The Residential New Construction (“RNC”) Program is designed to increase the energy efficiency and environmental performance of residential new construction buildings (single and multifamily) in New Jersey. The RNC Program has the long-term objective of transforming the market to one in which a majority of residential new construction in the state is “net zero-energy” (i.e., extremely efficient buildings where low energy needs can be met by renewable energy generation).

The RNC Program strategy is to establish technical standards for energy efficient new construction in New Jersey utilizing nationally recognized platforms, including the EPA ENERGY STAR® Single Family New Homes Program (“SFNH”), EPA ENERGY STAR Multifamily New Construction (“MFNC”) Program, and U.S. Department of Energy (DOE) Zero Energy Ready Home (“ZERH”) Program. The RNC Program then provides technical support and incentives to home energy raters, architects, trade allies, builders, and homebuyers to enable them to design, build, and purchase homes that comply with these standards.

Using an account management approach, the RNC Program recruits new and supports existing energy professionals who oversee the energy efficiency work completed by participating builders. There are two paths for energy professionals to participate: 1) as a Home Energy Rating System (“HERS”) Provider approved by an EPA-Approved Verification Oversight Organization (“VOO”); and 2) as a Modeler approved by an EPA-Approved Multifamily Review Organization (“MRO”). Those approved through either path are generally, and in this Compliance Filing, referred to as “Raters” or “Rating Companies.”

The RNC Program is focusing on the use of account managers to provide more direct support to the builders and the use of the Outreach Team to recruit new builder participants with an emphasis toward ZERH Program projects. The RNC Program also provides the necessary training to Raters, trade allies, and builders to ensure they understand the program rules/requirements, and have the skill set to meet the higher-than-code program standards to build homes that contribute to New Jersey’s energy reduction efforts. Incentives are offered to partially offset the incremental construction costs associated with building higher efficiency homes and to generate interest and enthusiasm for the RNC Program among builders and homeowners.

Support for Energy Master Plan Goals

The RNC Program will support many of the 2019 Energy Master Plan’s (“EMP’s”) strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).

- Primary Goal 4.1 (Start the transition for new construction to be net zero carbon), especially through the NC Program's support for Zero Energy Ready Homes and Passive Houses.

Program Description

The RNC Program is market-based and relies on builders and Raters to build to nationally recognized platform standards, which are defined by core efficiency measures, energy modeling, rater and builder oversight, and checklists to ensure quality installation.

To participate in this RNC Program, HERS Raters must use modeling software approved by the Program to model savings, calculate the Energy Rating Index ("ERI") and MMBtu incremental savings compared to the User Defined Reference Home ("UDRH").¹⁴ To be approved, the software must be accredited by an EPA-Approved VOO and be capable of providing batch reporting, including building components for QA review of rating files and savings utilizing the UDRH.

There are a number of market barriers to efficiency investments in new construction in New Jersey. Key among these are:

1. Builders do not always see the value of the additional administrative procedures and associated costs of ENERGY STAR;
2. The higher incremental cost associated with the additional Rater administrative and field inspection requirements of a ZERH;
3. Builders and designers are not proficient with the energy code requirements that the RNC Program requires them to meet or exceed;
4. Conflicting motivations guiding design criteria and choices (i.e., builders who make design, procurement, and construction decisions do not pay the homeowners' operating costs associated with those decisions);
5. Lack of local market awareness regarding the benefits of efficiency and environmental performance on the part of consumers, builders, lenders, appraisers, realtors and others;
6. Limited technical skills on the part of some builders and their trade allies to address key elements of efficiency;
7. Lack of local consumer marketing on the benefits of owning an RNC Program-participating home to drive demand;
8. Limited awareness of the ZERH requirements, benefits, and incentives that are available to support that market segment; and
9. Inability of consumers, lenders, appraisers, and others to differentiate between efficient and standard new construction homes.

The RNC Program employs several key strategies to overcome these barriers including:

¹⁴ I.e., a baseline home which, among other things, is defined and used in the NJCEP Protocols to Measure Resource Savings.

- Direct financial incentives to builders of homes that meet program standards;
- An incentive to offset the incremental Rater cost associated with certifying ZERH single-family, multi-single (i.e., townhome), and low-rise multifamily homes;
- Multiple pathways that allow participation across efficiency levels, entice new builders to the RNC Program, support the NJ construction market for energy code, and promote increased efficiency and quality-assurance with higher incentives;
- Utilization of nationally recognized EPA ENERGY STAR and DOE ZERH brand and website to help promote residential energy programs;
- Technical assistance to inform builders and their trade allies on details of the program pathways and how to comply with the rigorous performance requirements; and
- ENERGY STAR and ZERH certification, inspections, and testing through third-party rating companies that compete in an open market for services.

Program Participation Pathways

The following participation pathways provide New Jersey’s builders and homeowners with a range of participation options to suit builders at different levels of experience with energy efficient construction techniques and homebuyers with varying interest and budgets. All are based on the presumption that the applicable IECC 2018/2021 or ASHRAE 90.1-2016/2019 energy code sets the minimum energy performance requirement for newly constructed homes and the basic requirement is that eligible buildings using the ERI pathway exceed the applicable energy code by 10% and that eligible buildings using ASHRAE modeling exceed the applicable energy code by 15%.¹⁵ Therefore, they all result in energy performance that is better than that required by IECC 2018/2021 or ASHRAE 90.1-2016/2019, as applicable, depending on the home’s permit date.

ENERGY STAR

Builders that enroll in either the SFNH or MFNC pathway will satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI or ASHRAE pathway, including full inspection checklist requirements. This pathway includes the applicable version of ENERGY STAR SFNH and ENERGY STAR MFNC , depending on the date and eligibility determination per the EPA Multifamily Decision Tree (see Appendix B: Multifamily Decision Tree of this Compliance Filing), as well as the date of the applicable building permit. The incentive structure within this segment will include a base incentive plus a performance incentive using MMBtu saved as compared to the applicable code UDRH as the indicator.

¹⁵ The details of the implementation of these requirements, including which version of which energy code and/or version of ENERGY STAR and/or US DOE ZERH applies to which projects, and of a 90-day transition period regarding implementation of the new energy codes (i.e., IECC 2021 / ASHRAE 90.1-2019), will be provided to stakeholders and the public through means other than the present Compliance Filing.

Zero Energy Ready Home (ZERH)

This pathway recognizes a higher energy efficiency achievement in new home construction. Applicants must satisfy the requirements for the DOE ZERH certification following the applicable version of that program. The incentive structure within this pathway will include a base incentive plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator.

Zero Energy Home +RE (ZERH+RE)

This pathway has the same requirements as the ZERH pathway with the additional requirement that 100% of the building's modeled energy usage is met by renewable energy ("RE") systems installed prior to completion of the home. The incentive structure within this pathway will include a base incentive plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator. Incentives will be paid based upon the ERI before the addition of renewables. An additional fixed incentive for the renewable energy system will be awarded for a project meeting the ZERH+RE eligibility requirements.

Target Market and Eligibility

Newly constructed or substantially renovated (also known as gut rehabilitated) single-family (i.e., one- and two-family homes), multi-single (i.e., townhomes), multifamily buildings are eligible for RNC Program benefits if the home/building will use natural gas and/or electricity as the heating fuel supplied by a New Jersey public utility. The target market for this RNC Program is homebuilders and Raters.

Applicants who pursue their multifamily projects through the ENERGY STAR Multifamily New Construction ("MFNC") program may apply for NJCEP incentives through the RNC Program. Applicants who do not pursue their multifamily projects through the ENERGY STAR MFNC program may apply for NJCEP incentives through the P4P NC Program. Regardless of which program the applicant pursues, all applicable NJCEP program requirements must be satisfied to receive incentives.

For buildings and projects registered in this RNC Program, the Decision Tree used in the new ENERGY STAR MFNC Program, which is set forth in this Compliance Filing as Appendix B: Multifamily Decision Tree, will be used to determine which ENERGY STAR Program will apply to the building or project.

Projects participating under this RNC Program are not eligible for participation or incentives under any other NJCEP program for any building envelope components, equipment, or appliances that were included as part of application to this RNC Program. However, a given substantial renovation project may be eligible for a utility-sponsored energy efficiency ("EE") program, as well as for this RNC Program. In that case, the applicant would be able to choose which program it would utilize. However, the applicant could not have both programs cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Program Requirements

To qualify for the RNC Program, a home must meet ENERGY STAR SFNC or MFNC, DOE ZERH or ZERH+RE, requirements.

The technical details presented below address most program requirements. The full technical specifications for RNC Program compliance are available upon request. The ENERGY STAR and ZERH Program requirements (e.g., checklists, standards and modeling inputs) are periodically updated by the EPA and/or the DOE and supersede requirements of this program.

ENERGY STAR SFNH

Meet or exceed all the applicable version of the EPA ENERGY STAR SFNH Performance Path standards¹⁶ including:

- Meet or exceed the applicable version of the ENERGY STAR SFNH Energy Rating Index Target; and
- Complete the applicable version of all ENERGY STAR SFNH mandated checklists.

Zero Energy Ready Home (ZERH)

Meet or exceed all DOE ZERH Performance Path technical standards¹⁷ including:

- Complete the applicable version of all ENERGY STAR SFNH Program and all ZERH checklists.

Zero Energy Ready Home + RE (ZERH + RE)

Meet or exceed all ENERGY STAR and ZERH requirements as described above.

Additional RNC Program Requirements:

- 100% of the building's modeled electric site energy usage must be met by renewable energy ("RE") systems installed onsite prior to completion of the home.

ENERGY STAR Multifamily New Construction (MFNC)

Meet or exceed the applicable version of the EPA ENERGY STAR MFNC performance path standards¹⁸ including:

- Meet or exceed the applicable version of the ENERGY STAR MFNC following either the Energy Rating Index or ASHRAE pathways; and

¹⁶ ENERGY STAR SFNH: https://www.energystar.gov/newhomes/homes_prog_reqs/national_page

¹⁷ Zero Energy Home Standards <https://www.energy.gov/eere/buildings/zero-energy-ready-home>

¹⁸Multifamily New Construction Standards:
https://www.energystar.gov/newhomes/homes_prog_reqs/multifamily_national_page#site-built

- Complete the applicable version of all ENERGY STAR MFNC mandated checklists.

Incentives

The RNC Program incentive tables can be found in Appendix F: Residential Incentives (including Enhancements).

The incentives include a base incentive determined by building type, plus a performance-based incentive calculated using the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline, reference home defined by the applicable energy code. For all but MFNC utilizing the ASHRAE pathway, the applicable code is IECC. For MFNC utilizing the ASHRAE pathway, the applicable code is ASHRAE 90.1. The IECC code reference home is a UDRH utilized in the rating software to compare the rated home to a home of the same dimensions, but with components meeting the applicable IECC code as determined by the date of the project's building permit. The ASHRAE reference building is incorporated in the EPA-approved rating software. The building component values used in the UDRH are included in the NJ Protocols to Measure Resource Savings.

Urban Enterprise Zone (“UEZ”) / Affordable Housing / Low- and Moderate Income Enhanced Incentive

The RNC Program will offer bonus incentives for eligible homes located in UEZs that are, or will be, Affordable Housing, and/or that are, or will be, occupied by those of Low- and Moderate Income (“LMI”).¹⁹

ZERH Rater Incentive

The RNC Program will offer Rater incentives to Raters for each single-family or multi-single (i.e., townhome) homes that the Rater is successful in obtaining ZERH or ZERH+RE incentives.

Cooperative Marketing

The Cooperative Marketing Incentive offers cost-sharing for pre-approved advertising placed by contractors participating in the RNC Program. The cost sharing is for 25% of the cost of event booth spaces and 50% of the cost of other types of advertising. Those other types of advertising include print (newspaper, magazine, newsletter), yellow pages, direct mail, television, radio, web banner (digital), signage, billboard, and social media. In addition, other types of advertising may be approved on a case-by-case basis if the applicant can demonstrate its relative cost-effectiveness and benefits to NJCEP. The fiscal year cap per contractor is \$50,000. Contractors seeking to utilize the Program should contact coop@NJCleanEnergy.com.

¹⁹ LMI is defined in consultation with Board Staff and is set forth in the Program Guide, applications, and/or other Program documents.

Planned Program Implementation Activities

The following program implementation activities will be undertaken. The RNC Program will:

- Implement the changes and updates described above;
- Continue to review applications and, on a first-in-time basis, issue Commitment Letters that indicate, among other things, the amount of program funds committed to projects whose applications demonstrate their eligibility for the program as long as funding is available;
- Continue to process incentives for completed projects meeting program requirements;
- Utilize the Outreach Team to recruit new builder participants with an emphasis on ZERH projects;
- Actively engage with DOE, Raters, and builders to identify challenges of participating in the ZERH pathway; and
- Work with Board Staff and/or the Board's other contractors to identify a more consumer-friendly term for ZERH.

Quality Control Provisions

Market-based delivery of rating services and certifications requires an effective set of standards for quality assurance. The responsibility for builder quality and ENERGY STAR and/or ZERH Certification rests with Raters, ratings providers, DOE, and EPA-approved VOOs, and MROs. It is incumbent upon the program to ensure that a robust system for identifying and communicating quality issues exists to manage the credibility of the savings and associated incentives offered.

To maintain a robust rating marketplace, TRC will perform inspections and conduct oversight processes on Raters and projects. Quality Assurance activities will continue to be performed by TRC based on the track record of Raters and builders measured through program inspections.

In addition to reviews for data completeness on all checklists, forms and applications, on-site inspections, and technical review of building and Rater files will be required based upon the demonstrated proficiency of the builders and Raters. Inspection requirements will be adjusted based upon the track record of the program participants. Initial inspection rates for new builders and rating companies will be above average and will decrease as they demonstrate proficiency in proper building techniques and in understanding the qualifying requirements of the program.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Commercial and Industrial Energy Efficiency Programs

General Overview

The NJCEP C&I EE Programs are designed to help New Jersey's businesses use electricity and natural gas more efficiently. Efficiency in electricity and gas usage will promote competition and increase industry success ensuring job retention and creation. There is also an environmental benefit to electricity and gas usage efficiency. Each individual C&I Program is described in more detail in the relevant subsections below.

The C&I Programs are designed to:

- Provide information on how to meet and exceed current energy code requirements so buildings operate more efficiently thereby minimizing operating costs;
- Encourage customers to choose high efficiency options when undertaking construction or equipment upgrades (i.e., when customers normally construct buildings or purchase building systems equipment);
- Support market transformation by providing information and incentives to help customers and designers make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices; and
- Stimulate commercial and industrial customer investments in energy efficiency that will support the growth of the industries that provide these products and services.

The C&I Programs address the key market barriers that make it challenging for developers, designers, engineers, and contractors to routinely incorporate energy efficiency in their projects, including:

- Lack of familiarity or uncertainty with energy efficient building technologies and designs;
- Bias toward lower initial cost and lack of procedures for considering lifetime building operating costs during decision-making;
- Compressed time schedules for design and construction;
- Aversion to risk involved with specifying technologies less familiar to the local design community despite the proven reliability of efficient technologies and designs; and
- Priorities for engineers, designers, and contractors that often do not align with incentive structures and energy efficiency considerations.

The C&I Programs employ a set of offerings and strategies to address the market barriers noted above and to achieve market transformation in equipment specification, building/system design, and lighting design. These include:

- Program emphasis on intervention during customer-initiated construction and equipment replacement events that are a normal part of their business practice;
- Coordinated and consistent outreach to C&I customers, especially large and centralized players, such as national/regional accounts, major developers, etc.;
- Consistent incentive levels for efficient electric and gas equipment and design practices to permanently raise efficiency levels;

- Information and technical support provided to customers and designers to make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices;
- Information and technical support provided to customers and designers to facilitate compliance with New Jersey's new commercial energy code, as well as future upgrades to that code; and
- Programs designed to meet the needs of a diverse set of customers, including non-profit entities, local governments, and businesses of all sizes.

Unless specifically stated otherwise in the following program descriptions, customers eligible for incentives under New Jersey's C&I EE Program are defined as non-residential electric and/or gas customers of one of New Jersey's regulated electric or gas utilities who contribute to the SBC. With the exception of the new construction segment, applicants to any of the NJCEP C&I EE Programs must be contributors to the SBC within the previous twelve months.

Construction projects are subject to prevailing wage requirements pursuant to L. 2009, c. 203, which amends L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to L. 1963, c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with BPU financial assistance programs. This law applies to contracts greater than the amount set forth by the New Jersey Department of Labor and Workforce Development. Unless otherwise stated in a program description, customers self-certify that they are complying with prevailing wage requirements by submitting an application to the program and receiving program incentives.

C&I Buildings: C&I New Construction

“SmartStart”

As noted in the Introduction to this Compliance Filing, this program will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP.

Program Purpose and Strategy Overview

The C&I New Construction (“SmartStart NC”) Program was part of the original suite of C&I programs available through the NJCEP.

The SmartStart NC Program’s primary goals are to induce C&I customers to choose high efficiency equipment rather than standard efficiency equipment when they are making purchasing decisions. This is accomplished by providing incentives and information on a wide range of high efficiency alternatives. Prescriptive Incentives— where dollar amounts are fixed for specific categories of equipment— are offered where one-for-one, business as usual replacements are typical. The Prescriptive Incentive applications are labeled by technology, such as lighting and HVAC, and defined as equipment most commonly recommended for energy efficient projects with well-established energy savings. Custom incentives are offered for non-standard equipment, complex systems, and specialized technologies that are not easily addressed through prescriptive offerings. Customers are provided a discrete yet flexible application process with the ability to submit one or multiple applications for any size project. The transparency of incentives aids customers in making informed decisions, while assisting energy efficiency professionals to better solicit a prospective energy efficiency project.

Support for EMP Goals

This program will support many of the EMP’s strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 4.1 (Start the transition for new construction to be net zero carbon).

Program Description

The SmartStart NC Program offers both prescriptive and custom incentives for the broad range of C&I customers who are in the market to purchase energy efficiency measures. On September 6, 2022, the State of NJ adopted the ASHRAE 90.1-2019 energy code for all commercial and industrial buildings. NJCEP utilizes this code in determining performance requirements and incentive eligibility.

The SmartStart NC Programs will include the following offerings:

- ***Prescriptive Efficiency Measure Incentives*** that provide fixed incentives for energy efficiency measures. Incentives are based on incremental costs (i.e., the additional cost above baseline equipment) taking into consideration market barriers, changes in baselines over time, and market transformation objectives. Eligible measures are listed in Appendix G: C&I and DER Incentives and General Rules below.

- ***Custom Measure Incentives*** for more complex and aggressive efficiency measures. The process for calculating custom measure incentives is performance-based, which may include a commissioning component. Incentives are evaluated and determined via an incremental cost and energy savings analysis to be provided by the customer or customer's authorized representative (vendor/contractor). Determination of the appropriate baseline (existing conditions and/or industry standard) will be reviewed on a case-by-case basis subject to program review and approval. For measures that appear to have no clear baseline per energy code or recognized industry standard, the Program Manager will work with the applicant to define an appropriate baseline. The Program Manager has the discretion to determine the reasonableness of project costs for proposed technologies based on industry standards and other market research. Eligible electric and gas measures include lighting systems, HVAC systems, motor systems, large boiler systems, gas-engine driven chillers, and other non-prescriptive measures proposed by the customer. Technologies not explicitly listed as custom (per the filing and/or Program Guide) will be reviewed for eligibility and are subject to approval at the discretion of the Program Manager. More details regarding this process can be found below in this Compliance Filing under the *Custom Measure Incentive Guidelines* section and in this Compliance Filing's Appendix G: C&I and DER Incentives and General Rules *Custom Measures* section.

Customers or their contractors must submit an application for the type of equipment they have chosen to install. The application should be accompanied by a related worksheet (where applicable), a manufacturer's specification sheet for the selected equipment, and one month of the most recent electric/natural gas utility bill. The Program Manager may also require additional utility bills if such bills are relevant to its review of any given application. To qualify for incentives, customers must be contributors to the SBC that corresponds to their incentive (e.g., must contribute to the SBC electric fund if applying for an electric incentive). For example, customers applying for lighting incentives must provide an investor-owned utility ("IOU") electric bill identifying SBC contribution. Similarly, an IOU gas bill identifying SBC contribution is required for natural gas saving measures such as gas heating. Program representatives will then review the application package and approve it, reject it, and/or advise of additional upgrades to equipment that will save energy costs.

Target Markets and Eligibility

The C&I New Construction Program targets commercial, educational, governmental/institutional, industrial, and agricultural customers engaged in customer-initiated construction events including public school construction, other new building construction, and substantial renovations (also

known as gut rehabilitations).²⁰ The program may be used to address economic development opportunities and transmission and distribution system constraints. It is primarily geared towards the mainstream C&I market, as opposed to programs that target specialized markets such as the Large Energy Users Program, the Local Government Energy Audit Program, and the Direct Install Program. Applicants to the program must be contributors to the SBC.

Incentives

The tables in Appendix G: C&I and DER Incentives and General Rules list the incentives for the C&I New Construction Program. The incentives vary by size, technology, and efficiency level and will be paid based on specific eligibility requirements. The program offers both prescriptive incentives and custom measure incentives.

Custom Measure Incentive Guidelines

The program utilizes a performance-based approach to determine incentives for custom equipment. Established incentive caps for the program are the lesser of:

- \$0.16/kWh and/or \$1.60/therm based on estimated annual savings;
- 50% of total installed project cost; or
- buy down to a one-year payback.

The program will allow a single facility with multiple utility accounts to submit a proposed custom project under one application. A customized set of Microsoft Excel-based forms is required for all projects. These forms summarize the critical components of the custom measure, including a detailed description of the technology, installed project cost, and projected savings. Upon project completion, additional documentation is required to confirm that the measures were installed as proposed and that any changes during construction are reflected in the final savings values. As is clearly described in the program forms, certain measures may require post-installation metering, trending analysis, and/or the installing contractor's Statement of Substantial Completion. Projects will use ASHRAE 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency ("CEE"), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions. The

²⁰ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Program Manager will provide contractors with program spreadsheets that include standard formats for reporting program savings, as well as standard incentive calculations.

As a general matter, the preference is to avoid repeated custom measure applications. Accordingly, the Program Manager will generally consider the possibility of developing and proposing a prescriptive standard and incentive once it has received three or more custom applications for the same measure.

Account/FY Cap:

In addition to any other caps described elsewhere in this Compliance Filing, SmartStart incentives will also be capped at a maximum of \$500,000 per electric account and \$500,000 per natural gas account, in each case, per FY.

C&I New Construction Application Deadlines

To be eligible for related incentives, an application for custom measures must be submitted to the Program Manager prior to the installation of any equipment and applications for all other measures must be submitted within 12 months of equipment purchase. Documentation confirming the date the equipment was purchased, such as a material invoice or purchase order, must be provided to the Program Manager.

Notwithstanding the above, all applicants are strongly encouraged to obtain the Program Manager's approval and an incentive commitment prior to commencing installation or construction. Customers implementing projects without the Program Manager's approval risk having their project deemed ineligible for incentives.

Delivery Methods

As new technologies are introduced and prices for measures change, sometimes in response to program offerings, Program Managers will continuously monitor technologies and costs and adjust program incentives accordingly. The Program Manager will propose adjustments to program offerings based on program experience, the results of any evaluations, program and market studies, as well as other state/regional market research, and current pilot/demonstration projects.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all C&I program participants. All applications received are reviewed to confirm compliance with eligibility requirements. Additionally, all technical information submitted in support of the application is reviewed to confirm measure qualification and to verify the incentive calculation. Applicant-supplied information and Program Manager-performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

A sample percentage of applications will be randomly selected for inspections and Quality Control file reviews. The specific percentages by program are outlined in the individual program guideline documents. Inspections include a site visit to verify customer eligibility and energy efficient measure technical specifications that result in a verification of the incentive calculation. A field inspection report is prepared and maintained in the project file for future verification.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

C&I Buildings: Pay for Performance - New Construction

As noted in the Introduction to this Compliance Filing, this program will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP.

Program Purpose and Strategy Overview

The Pay for Performance – New Construction Program (“P4P NC”) is intended to encourage developers and design professionals to look for ways to optimize design, operation, and maintenance of new construction and substantial renovation projects in order maximize energy and energy cost savings. The P4P NC Program does this by requiring the use of standardized energy simulation software to estimate energy use and costs of the proposed design compared to a code compliant baseline. A portion of project incentives is tied to actual building performance to emphasize to building owners the critical value of addressing operational practices. The P4P NC Program aligns with other rating authorities such as LEED and ENERGY STAR.

Support for EMP Goals

This program will support many of the EMP’s strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 4.1 (Start the transition for new construction to be net zero carbon).

Program Description

The P4P NC Program takes a comprehensive, whole building approach to energy efficiency in the design and operation of new commercial and industrial buildings, as well as in substantial renovations.²¹ The program provides tiered incentive levels correlated to the modeled energy and energy cost savings as demonstrated in the proposed design and includes a performance component to reflect the value that effective building operation has in determining energy use. This market-based program relies on a network of partners selected through a Request for Qualifications process. Once approved, partners may provide technical services to program participants.

²¹ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Although partners work under contract with building owners, acting as their “energy expert”, they are required to strictly follow program requirements. Partners will be required to develop a Proposed Energy Reduction Plan (“ERP”) for each project. The Proposed ERP details a set of recommended measures that will achieve the minimum performance target. Partners will then provide an As-Built ERP, along with a Commissioning Report to demonstrate that recommended measures are installed and functioning. Lastly, the partner will benchmark the building following one year of operation to document how well the building is operating relative to the As-Built ERP.

Participants will be required to work with an approved partner to develop the Proposed ERP and facilitate the incorporation of the recommended energy efficiency measures. The submitted Proposed ERP must include a package of energy efficiency measures that achieve the minimum performance target of 5% savings for commercial and industrial buildings and 15% for multifamily buildings compared to ASHRAE 90.1-2019.²² The minimum performance target will be measured in terms of energy cost and source energy savings, which is consistent with ASHRAE 90.1, Appendix G, EPA Federal Tax Deductions and LEED NC.

Partners are required to develop whole building energy simulations using approved simulation tools. The list of approved tools will be based on the software requirements outlined in ASHRAE 90.1 Section 11 or Appendix G or as approved by the Program Manager. The program follows ASHRAE 90.1-2019 Appendix G to demonstrate that the proposed design meets or exceeds the minimum performance target.

ASHRAE 90.1-2019 Appendix G

Under this path, the partner will model a baseline and proposed building using ASHRAE 90.1-2019 Appendix G. Appendix G uses a common baseline building approach that will remain the same for all future iterations of ASHRAE 90.1, and is roughly equivalent to ASHRAE 90.1-2004. Program Guidelines and tools will outline/calculate equivalent savings values relative to 90.1-2019. Measures must be modeled as interactive improvements to the ASHRAE 90.1-2019 Appendix G.²³

Each project must have at least one measure addressing *each* of the following building systems: envelope, heating, cooling, and lighting (e.g., increased insulation, improved HVAC efficiency, lighting power density below code requirements, etc.). Buildings that are not heated (e.g., refrigerated warehouse) or not cooled (e.g., warehouse) will not be required to have a measure addressing the missing building system. Measures are defined as components that exceed ASHRAE 90.1-2019 requirements.

²² Energy Target is rounded down to two significant figures e.g., 0.0487 is rounded to 0.04 or 4%.

Note also that applications for projects that submit documentation they received their construction/building permits under ASHRAE 90.1-2016 will have their P4P NC applications processed using ASHRAE 90.1-2016 as their baseline.

²³ For the avoidance of doubt, as so outlined, modeled or calculated, they must meet the minimum performance target set out above in this Program Description.

Core and Shell vs. Tenant Fit-Out Considerations

Generally, P4P NC projects are required to evaluate the whole building design. Further, if a P4P NC application is submitted to the Program, that same building(s) cannot also submit applications to other programs. An exception to this rule may apply to eligible projects pursuing Core & Shell separate from tenant fit-out improvements, which may fall into one of two scenarios below.

Scenario 1: Core & Shell and Tenant Fit-out are combined - In this scenario, all aspects of the design (whole building) must be included under a single P4P NC application and treated as a single project following all Program Guidelines, as typical. This may apply where:

- Developer is funding and constructing both Core & Shell and Tenant Fit-out; or
- High performance systems are specified and funded for the tenant space separate from Core & Shell, but the building owner and tenant have come to an agreement to include both scopes of work under a single project.

Scenario 2: Core & Shell Separate from Tenant Fit-out - This scenario applies when the Core & Shell work is known, but the tenant space development is unknown and/or is funded separately. In this case, the Core & Shell is treated as a separate project from the Tenant Fit-out and a building may apply for P4P NC for either Core & Shell or Tenant Fit-out(s), but not both. The determining factor depends on which scope will include design and construction of the central HVAC system, in which case:

- P4P NC incentives will apply to all conditioned square footage of the building serviced by the central HVAC in the project's scope of work;
- The project scope applying for P4P NC (e.g., Core & Shell or Tenant Fit-out) must be able to meet all requirements for P4P NC on its own;
- Any Tenant Fit-out or Core & Shell work not included in P4P NC (and connected to a non-residential electric/gas account paying into the SBC) may seek incentives through the C&I Prescriptive or Custom Measure programs for eligible equipment.

A project may apply to the program at any point during the design phase. Projects that have begun construction may still apply so long as measures have not been purchased prior to receipt of the program application. Any measures installed prior to approval of Proposed ERP are done so at the project's risk. In the event the equipment selected does not qualify for an incentive, it will be removed from the Proposed ERP. Projects that cannot identify efficiency improvements that meet the above requirements will be referred to the appropriate C&I Buildings Program(s).

See Program Guidelines at www.njcleanenergy.com for additional modeling considerations.

Target Market and Eligibility

The P4P NC Program is open to new C&I construction projects with 50,000 square feet or more of conditioned space. The Program Manager has the discretion to approve projects that are within 10% of the minimum 50,000 square foot threshold. Projects may include a single building meeting square footage requirements or multiple buildings provided those buildings are owned by the same entity, are located on adjacent properties, and are designed and constructed within the same time

period.²⁴ Multiple buildings that are grouped into one program application are viewed as a single project that is eligible for one set of program incentives and all incentive caps apply to the group of buildings.

Due to the comprehensive design of this program, projects may not apply for incentives in other NJCEP programs while enrolled in P4P NC for the same facility (ies). All eligible measures must be considered in P4P NC, with the exception of on-site generation (e.g. CHP program). Exceptions also apply to Core & Shell and/or Tenant Fit-out projects as set out in the foregoing paragraphs. Additional exceptions may be considered by the Program Manager on a case-by-case basis.

Multifamily Buildings

The P4P NC Program accommodates certain types of multifamily buildings. Applicants who pursue their multifamily projects through the ENERGY STAR Multifamily New Construction (MFNC) program may apply for NJCEP incentives through the RNC Program; applicants who do not pursue their multifamily projects through the ENERGY STAR MFNC program may apply for NJCEP incentives through the P4P NC Program. Regardless of which program the applicant pursues, all applicable NJCEP program requirements must be satisfied in order to receive incentives. Please see Appendix B: Multifamily Decision Tree for further guidance on multifamily program eligibility.

Low-rise (and mid-rise where appropriate), garden-style complexes will be treated as one project under the P4P program. In other words, if there are 10 garden-style buildings that are part of one multifamily community, all 10 will be aggregated into one P4P NC application. The 50,000-square-foot participation threshold will be met through this aggregation (including common area and in-unit). The minimum performance target (as well as all other program requirements) will also be determined on an aggregated basis. Only one set of incentives will be paid per project and all incentive caps apply.

Partner Network

Existing approved P4P NC Partners will need to complete online re-training on a regular basis as determined by the Program Manager in order to remain an approved partner in the program. The Program Manager may offer select partners one-on-one training on projects to ensure success in the program, as well as kick-off meetings upon project enrollment. Depending on program demand, the Program Manager may provide subsidized Energy Modeling Training Sessions for Program Partners related to ASHRAE 90.1-2019.

²⁴ For the purpose of tracking technical reviews and site inspections, each building addressed within a multi-building ERP may be considered a separate project. This is necessary because although a single ERP will include all of the necessary project information, the review of each of the building simulation models will require individual attention. Similarly, site inspections will take considerably longer for multi-building projects as each building will require an inspection. Where applicable, administrative tracking will be associated with any approved sampling of building simulation models (i.e., if a single model is developed to represent several similar buildings).

Program Offerings and Incentives

The P4P NC Program’s incentive structure was conceived to encourage the design and achievement of comprehensive energy savings and are, therefore, released in phases upon satisfactory completion of each of these three program milestones:

1. Submittal and approval of a Proposed ERP with proposed design meeting all program requirements;
2. Submittal and approval of an As-Built ERP and Commissioning Report confirming installation and operation of recommended measures per the Proposed ERP. Changes between proposed and as-built design must be accounted for at this point, although as-built project must still meet all program requirements; and
3. Submittal of ENERGY STAR Portfolio Manager benchmark based on first year of operation with score of 75 or higher. Building types not eligible for ENERGY STAR Certification can qualify for this incentive by obtaining *ASHRAE Building Energy Quotient (bEQ) In-Operation* Certification with equivalent score as set by Program Guidelines. Additional certification for compliance may be considered by Program Manager.

Incentives are paid based on the rate schedule in the table below. At the customer’s written request, incentive payments may be assigned or directed (including re-assignment or re-direction) to either the customer, the partner, or other designated representative.

Table 6: P4P NC Incentive Schedule

Minimum Performance Requirement	Cost or Source Energy Reduction from 90.1-2019 Baseline	Incentive by Building Type Per Square Foot	
	15% Multifamily 5% All other	Industrial/High Energy Use Intensity	Commercial and Multifamily
Incentive #1 Proposed Energy Reduction Plan	+ 0 - <2% (Tier 1)	\$0.10	\$0.08
	+ 2 - <5% (Tier 2)	\$0.12	\$0.10
	+ 5% or greater (Tier 3)	\$0.14	\$0.12
	Max	\$50,000.00	
	Pre-Design Bonus	\$0.04	
	Max	\$20,000.00	
Incentive #2 As-Built Energy Reduction Plan and Cx Report	+ 0 - <2% (Tier 1)	\$1.00	\$0.80
	+ 2 - <5% (Tier 2)	\$1.20	\$1.00
	+ 5% or greater (Tier 3)	\$1.40	\$1.20
Incentive #3 Building Performance		\$0.40	\$0.35

- Incentive #1 is contingent on moving forward with construction and must be supported by required program documentation (e.g., signed Installation Agreement). The Program Manager, in coordination with the Division of Clean Energy, may waive this contingency in extreme situations where construction is halted due to economic or other external factors.

If a project is cancelled after the receipt of Incentive #1, the incentive amount shall be returned to NJCEP. If the Incentive #1 payment is not returned to NJCEP, the customer/partner will not be eligible in the future for another Incentive #1 payment for the same facility.

- The total of Incentives #1, #2, and #3 combined shall not exceed \$2,000,000 per project, assuming both electric and natural gas measures are recommended and implemented. Should only electric measures or only gas measures be recommended and implemented, then the total of Incentive #1, #2, and #3 combined shall not exceed \$1,000,000 per project. The foregoing would place a \$1,000,000 per project cap on electric-only facilities.
- Certain circumstances may impact an incentive amount after a commitment has been made:
 - Increase or decrease in project square feet may increase (budget permitting) or decrease the incentive;
 - Significant modifications to the approved scope of work, including addition and removal of a measure, may impact the overall project savings causing a project to move between incentive tiers. Incentives will be adjusted up (budget permitting) or down, accordingly; and
 - Generally, any required adjustments will also include under or overpayment of incentives already paid.

Incentive #1 Pre-Design Bonus (Integrative Process): Projects that are in pre-design or schematic design may be eligible for a higher Incentive #1. The goal is to incentivize applicants to think critically about their building design from an energy efficiency standpoint early in the process when changes are easier to make, thereby supporting high-performance, cost-effective project outcomes. To qualify, the partner will need to work with the applicant beginning in pre-design and continuing throughout the design phases. They will perform a preliminary “simple box” energy modeling analysis before the completion of schematic design that explores how to reduce energy loads in the building and accomplish related sustainability goals by questioning default assumptions. They will then document how this analysis informed building design decisions relative to owner’s project requirements, basis of design, and eventual design of the project. This submittal shall be submitted after application approval, but prior to the Proposed ERP. Although pre-construction inspections are not routinely performed in this program, TRC may inspect projects applying for this bonus.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all P4P NC Program projects. All applications received are reviewed to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of measure qualification and incentive calculation. Applicant supplied information and project technical data are entered into the database. Electronic files are created for all documents and for ongoing project correspondence. The Program Manager reviews submitted ERPs.

The Program Administrator quality control staff will perform pre- and post-construction inspections, will regularly conduct pre-approval technical reviews of ERPs, and will perform file reviews on a sampling of applications prior to incentive payments. The selection of inspections and reviews will be based on a pre-determined, random sampling percentage.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

C&I Buildings: Customer Tailored Energy Efficiency – New Construction

As noted in the Introduction to this Compliance Filing, this program will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP.

Program Purpose and Strategy Overview

This program supplements the current New Jersey C&I incentive programs by offering a streamlined approach to developing and implementing energy efficiency projects for mid-to-large customers. The key features of the program:

- Allows customers to bundle multiple prescriptive and custom measures into one application with one project delivery approach;
- Customers can receive incentives for qualified advanced and emerging energy efficiency technologies that are not currently addressed under SmartStart;
- Technical assistance incentives offered to help minimize the soft costs associated with developing an energy efficiency project;
- Leverages existing energy efficiency professional networks;
- Larger customers with multiple measures can access incentives for their targeted energy efficiency projects without enrolling in a whole-building program; and
- Performance verification to engage customers after their project is complete to ensure persistence of savings.

The goals of the program are to:

- increase participation among mid to large customers;
- increase the amount of energy saved per project for participating customers;
- understand from participating customers whether assistance beyond measure incentives will facilitate the installation of energy efficiency projects;
- promote the installation of advanced lighting controls in conjunction with high efficiency LED luminaires; and
- collect information and data that can inform program changes or new program designs in the future.

Support for EMP Goals

This program will support many of the EMP's strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Primary Goal 4.1 (Start the transition for new construction to be net zero carbon).

Program Implementation Description

The program was developed and launched in FY18 in response to customer concerns regarding the application process for projects involving completion and submission of multiple SmartStart applications. It will be promoted through traditional methods, the C&I Outreach Account Managers, and energy efficiency professionals.

The program process is as follows:

1. **Outreach and Recruitment** – The CTEEP NC will be included in any C&I customer outreach conducted by the Account Managers. Information about it will be placed on the web site and shared with the Ombudsman’s office and trade allies who can assist in promoting the pilot to their customers.
2. **Enrollment** - The enrollment application will allow the Program Management team to assess the opportunities, the status of the potential project, and to schedule a Scoping Session meeting where the Case Manager performs a needs assessment to determine whether the customer requires additional assistance such as referral to technical expertise, financial assistance, internal sales, or benchmarking.
3. **Energy Efficiency Plan Development** - Upon application acceptance, the customer works with its technical experts to develop the EEP.
4. **Incentive Commitment** - Upon acceptance of a complete EEP, the Program Manager will commit incentives as defined by the EEP and program requirements. The incentive commitment will be valid for twelve (12) months. The Program Manager may extend the initial expiration period in two, six (6) month intervals.
5. **ECM Installation** – The customer will submit final documents necessary to process the incentive payment consistent with the schedule defined below.
6. **Performance Verification** – The performance verification submission applies to custom measures only. A customer will receive the final 10% of custom measure incentives consistent with the schedule defined below.

Target Markets and Eligibility

The target customer size is 50,000 square feet.

Additional criteria that will be considered for inclusion:

- Customers with complex operations and/or unique energy usage profiles who would most benefit from custom assessments of efficiency opportunities;
- Customers whose efficiency opportunities, barriers to investment, and/or business needs suggest they may benefit from support beyond just financial incentives (e.g. technical analysis, financial analysis, etc.);
- Customers with projects requiring multiple applications under existing program offerings; and
- Customers who are good candidates for installation of new, innovative, or advanced efficiency technologies.

Program Offering and Incentives

Financial incentives offered to customers of the CTEEP NC will be the same as those available through the existing prescriptive and custom program offerings. However, for ease of customer participation, the financial incentives will be bundled into a single “package” application. The

total incentive available for any project will be equal to the sum of the incentives available through the existing prescriptive and custom program offerings for the measures installed. For ECMs possessing both prescriptive and custom features, the Program Manager will have discretion to determine if some or all of the energy efficiency benefits will be eligible under the custom incentive structure.

Prescriptive Measures:

- Measures meeting the requirements of the current SmartStart Building Program will receive the established incentive (including any applicable enhancements) under that program.

Custom Incentives:

- \$0.16 per kWh
- \$1.60 per therm
- 50% of project cost
- Buy-down to 1-year payback
- Same enhanced incentives as for the current SmartStart Building Program

Technical Assistance:

In addition to measure incentives, where initial design costs are a barrier to the pursuit of projects that appear to be promising, the Pilot may offer customers an additional incentive towards design assistance or technical support provided by an independent²⁵ third party design professional. Incentives will be available for up to 50% of the cost of the design/technical assistance up to a maximum of \$10,000 upon approval of the NJCEP Program Manager, with half of the incentive payable upon proof of construction kick-off and the remainder upon installation of the recommended measures.

Incentive cap:

The same caps in SmartStart Program apply here, including the \$500,000 per utility account cap; however, the Technical Assistance incentive does not count towards this incentive cap.

²⁵ Independent in this case means the design professional does not sell or represent products that are being considered for installation.

Payment Schedule

Incentive payments are made along the life of a project as outlined below.

Project material/labor invoices will signify projected completion followed by a post-inspection as deemed appropriate.

Table 7: CTEEP NC Schedule of Payments

Schedule of Payments			
Type of Incentive	Milestone 1 Construction Kick-Off	Milestone 2 Substantial Completion	Milestone 3 Performance Verification
Technical Assistance Incentive	50%	50%	-
Base Incentives – Prescriptive	-	100%	-
Base Incentives – Custom	-	90%	10%

- Milestone 1: The EEP is approved and construction contracts are in place.
- Milestone 2: All work is installed and new equipment and systems are generating energy savings. Multiple payments may be provided.
- Milestone 3: Performance Verification is complete. Multiple payments may be provided. This milestone may occur between 3-6 months after substantial completion.

Program Standards

- **Prescriptive measures** must meet the minimum requirements of the SmartStart Buildings program.
- **Custom measures** must meet or exceed current SmartStart Custom requirements (with the exception of minimum energy savings requirements) or the Minimum Performance Standards for the LEUP.
- **Advanced Lighting Control Systems** must be listed on the Design Lights Consortium’s Qualified Products List.
- **Emerging Technologies** must meet current building codes or industry standards, as applicable.

Limitations/Restrictions

- Renewable and power storage technologies including, but not limited to, photovoltaics, fuel cells, battery storage, and microturbines are not eligible.
- Combined heat and power systems are incentivized under New Jersey’s Combined Heat and Power program and are not eligible for CTEEP NC incentives.
- Previously installed measures (i.e., any measures installed prior to enrollment) are not eligible.

- Measures that do not save energy (kWh or therms) are not eligible. Customers may install measures that exclusively reduce operating costs and/or energy/demand costs, but they may not be included in the CTEEP NC EEP.
- Operations & Maintenance and behavioral measures are not eligible. Behavioral measures include those where equipment is adjusted to improve performance or change energy use. Behavioral measures may include boiler clean & tunes, commissioning of existing equipment, thermostat adjustment, or seasonal equipment removal.

Quality Control Provisions

All applications are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Inspection protocols for custom measure projects will require a pre-determined percentage of pre- and post-inspections. Pre-inspections may be waived after successful completion of a Scoping Session.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Appendix F: Residential Incentives (including Enhancements)

Residential New Construction

As noted elsewhere in this Compliance Filing, this program and these incentives will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP and its incentives.

Table 8: RNC Financial Incentives per Unit for ENERGY STAR New Construction Programs, Zero Energy Ready Home, and Zero Energy Home + RE

	Single Home (1 & 2 Family Homes)	Townhome (3+ Connected Units)	Multifamily (following SFNH)	Multifamily (MFNC)
Energy Star	\$1,000 per home + \$30 for each MMBtu saved	\$500 per home + \$30 for each MMBtu saved	\$500 per dwelling unit + \$30 for each MMBtu saved	\$500 per dwelling unit + \$30 for each MMBtu saved
ZERH (Zero Energy Ready Home)	\$4,000 per home + \$30 for each MMBtu saved Rater Incentive: \$1,200 per home	\$2,500 per home + \$30 for each MMBtu saved Rater Incentive: \$1,200 per home	\$1,500 per home + \$30 for each MMBtu saved	N/A
ZERH + RE (ZERH + RE)	\$6,000 per home + \$30 for each MMBtu saved Rater Incentive: \$1,200 per home	\$4,000 per home + \$30 for each MMBtu saved Rater Incentive: \$1,200 per home	\$2,250 per home + \$30 for each MMBtu saved	N/A
UEZ/Affordable Housing Bonus	\$500 per home (added to any level above)	\$500 per home (added to any level above)	N/A	N/A

Notes:

1. The above \$30/MMBTU is based on savings before any savings from Renewable Energy. MMBtu is the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline reference home, defined by the applicable energy code as described in more detail in the New Jersey Clean Energy Program Protocols to Measure Resource Savings

2. Single-Family homes, townhomes, and multifamily buildings up to five stories in height are eligible to participate in ZERH and ZERH +RE program and receive incentives per the table above.

Appendix G: C&I and DER Incentives and General Rules

Extension Policies

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six months or one year from the date of the letter approving the initial application. NJCEP provides for extensions of deadlines provided certain conditions are met. Program Managers in general are authorized to approve first and, in some cases, second, extensions. Additional standards/guidelines for approving extensions and/or reinstatements are set out in the Compliance Filings and in the Guidelines established for each program. The Program Administrator, with the approval of Board staff, may approve up to two extensions, each of a length set by the PA with the approval of Board staff, beyond the extensions the Program Managers are authorized to approve.

C&I / DER Incentive Caps

Incentive caps have been established to ensure that there is equitable access to the C&I and DER programs for all qualifying customers. These caps have been established because of the potential scale of commercial/industrial projects, where a few extremely large projects could otherwise consume a significant share of the available budgets, leaving other customers unable to access project funding.

Program / Project Incentive Caps

Most C&I and DER programs set incentive caps on a program per FY and/or per project basis; those caps are described in the program descriptions and/or incentive descriptions in this Compliance Filing.

Total Cost Incentive Cap

No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost²⁶ of measures installed or performed.

²⁶ Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

C&I New Construction Incentives

As noted elsewhere in this Compliance Filing, this program and these incentives will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP and its incentives.

Custom Measures

- Performance incentives of \$0.16/kWh and \$1.60/therm of first year savings, 50% of total installed project cost, or buy down to 1-year payback, subject to enhancement, where applicable, pursuant to the table immediately below. Based on estimated savings as approved by the Program Manager.
- Projects will use ASHRAE 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency (“CEE”), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions.

Table 9: C&I Custom Measure Incentives

Equipment Type	Incentive Cap	Incentive Amount
Custom Measures	First-Year Savings Cap	Electric Savings: \$0.16/kWh
		Gas Savings: \$1.60/therm
	Project Cost Cap	50% of Total Installed Project Cost
	Buy-Down Cap	Amount to buy-down to 1-year payback

Electric Chillers

- **Note:** - The manufacturer’s published chiller efficiency must be determined using the Air-Conditioning, Heating and Refrigeration Institute (“AHRI”) 550/590 test procedures and at the AHRI standard evaporator and condenser temperatures. If an applicant has a water-cooled centrifugal chiller that is designed to operate at other than the AHRI standard conditions the procedure in Standard 90.1-2019, Section 6.4.1.2.1 may be used by the applicant to adjust the manufacturer’s published efficiency at non-AHRI conditions to the efficiency at AHRI standard conditions. The applicant will need to provide the

manufacturer's non-AHRI ratings, as well as the calculations for the chiller efficiency at AHRI conditions.

- Electrically operated comfort cooling air-cooled and water-cooled chillers are eligible for incentives under the prescriptive path. Chillers for process cooling (e.g., manufacturing, data center, food storage or processing, etc.) loads may apply for an incentive under the custom path.
- Performance Incentives apply for each 0.1 EER above the Incentive Minimum EER or for each 0.01 kW/ton below the Incentive Minimum kW/ton.
- Proposed equipment must exceed minimum program efficiency requirements for Path A (constant speed) IPLV and Path B (variable speed) Full Load.

Table 10: C&I Electric Chiller Incentives

Equipment Type	Capacity	New Construction			
		Constant Speed		Variable Speed	
		Base \$/ton	Performance \$/ton	Base \$/ton	Performance \$/ton
Air Cooled Chiller	tons < 150	\$10.00	\$3.50	\$45.00	\$4.00
	tons ≥ 150	\$10.00	\$2.75	\$46.00	\$4.00
Water Cooled Chiller, Positive Displacement	tons < 75	\$6.50	\$2.25	\$20.00	\$2.50
	75 ≤ tons < 150	\$10.00	\$2.00	\$21.50	\$2.00
	150 ≤ tons < 300	\$8.50	\$2.00	\$21.50	\$2.00
	300 ≤ tons < 600	\$7.50	\$2.25	\$18.50	\$2.00
	tons ≥ 600	\$15.00	\$2.00	\$22.00	\$2.00
Water Cooled Chiller, Centrifugal	tons < 150	\$12.00	\$2.25	\$12.00	\$2.75
	150 ≤ tons < 300	\$5.00	\$2.00	\$15.00	\$2.50
	300 ≤ tons < 400	\$4.00	\$2.00	\$10.00	\$2.00
	400 ≤ tons < 600	\$4.00	\$2.00	\$12.50	\$2.00
	tons ≥ 600	\$4.00	\$2.00	\$12.50	\$2.00

Table 11: C&I Electric Chiller Minimum Efficiency Requirements

Equipment Type	Capacity	Constant Speed		Variable Speed		Constant Speed		Variable Speed	
		Incentive Minimum Full Load kW/ton	Qualifying IPLV kW/ton	Qualifying Full Load kW/ton	Incentive Minimum IPLV kW/ton	Incentive Minimum Full Load EER	Qualifying IPLV EER	Qualifying Full Load EER	Incentive Minimum IPLV EER
Air Cooled Chiller	tons < 150					10.3	13.7	9.7	16.12
	tons ≥ 150					10.3	14.0	9.7	16.42
Water Cooled Chiller, Positive Displacement	tons < 75	0.735	0.60	0.78	0.49				
	75 ≤ tons < 150	0.706	0.56	0.75	0.48				
	150 ≤ tons < 300	0.647	0.54	0.68	0.431				
	300 ≤ tons < 600	0.598	0.52	0.625	0.402				
	tons ≥ 600	0.549	0.50	0.585	0.372				
Water Cooled Chiller, Centrifugal	tons < 150	0.598	0.55	0.695	0.431				
	150 ≤ tons < 300	0.598	0.55	0.635	0.392				
	300 ≤ tons < 400	0.549	0.52	0.595	0.382				
	400 ≤ tons < 600	0.549	0.50	0.585	0.372				
	tons ≥ 600	0.549	0.50	0.585	0.372				

Gas Cooling

- For gas chillers, full load efficiencies are determined in accordance with A.H.R.I. 560, however, part load efficiencies are not rated.

Table 12: C&I Gas Absorption Chiller Incentives

Equipment Type	Size Range	Min Efficiency	Incentive
Gas Absorption Chiller	< 100 tons	> 1.1 Full Load COP	\$450/ton
	100 to 400 tons		\$230/ton
	> 400 tons		\$185/ton

Table 13: C&I Regenerative Desiccant Unit Incentives

Equipment Type	Requirement	Incentive
Regenerative Desiccant Unit	Must be matched with core gas or electric cooling equipment.	\$1.00/CFM of process air flow

Electric HVAC

- To be eligible for an incentive, the equipment must exceed the requirements in the tables below.
- For systems < 65,000 Btu/h, if the equipment is rated using SEER2 efficiency units, SEER2 shall be used to determine eligibility. Otherwise, the SEER rating may be used.
- For systems < 65,000 Btu/h, if equipment is rated using HSPF2 efficiency units, HSPF2 shall be used to determine eligibility. Otherwise, the HSPF rating may be used.

Table 14: C&I Unitary Electric HVAC Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency			Incentive \$/Ton
			SEER/SEER2	EER	IEER	
Unitary HVAC Split System	< 65,000	1	15.2 / 14.4			\$92
		2	17.4 / 16.5			\$105
Unitary HVAC Single Package	<65,000	1	15.2 / 14.4			\$92
		2	17.4 / 16.5			\$103
Unitary HVAC Single Package or Split System	≥ 65,000 and < 135,000	1		11.5	15.0	\$73
		2		12.5	16.1	\$79
	≥ 135,000 and < 240,000	1		11.5	14.2	\$79
		2		12.0	16.1	\$89
Central DX AC	≥ 240,000 and < 760,000	1		10.5	13.2	\$79
		2		11.0	14.2	\$85
	≥ 760,000	1		9.7	12.5	\$72
		2		10.0	13.4	\$77

Table 15: C&I Air Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency					Incentive \$/ton
			SEER/SEER2	HSPF/HSPF2	EER	IEER	COP	
Air Source Heat Pump Split System	< 65,000	1	15.4 / 14.6	9.1 / 7.7				\$92
		2	16.6 / 15.8	9.2 / 7.8				\$100
Air Source Heat Pump Single Package	< 65,000	1	14.4 / 13.7	8.2 / 6.9				\$92
		2	15.6 / 14.8	8.5 / 7.1				\$100
Air Source Heat Pump Split System and Single Package	≥ 65,000 and < 135,000	1			11.5	14.1	3.5	\$73
		2			12.1	14.8	3.6	\$77
	≥ 135,000 and < 240,000	1			11.5	13.5	3.4	\$79
		2			11.7	15.0	3.4	\$82
	≥ 240,000	1			9.5	12.5	3.3	\$79
		2			9.7	14.2	3.3	\$82

Table 16: C&I Water Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Water to Air, Water Loop Heat Pump	< 17,000	1	12.4	4.3	\$20
		2	14.0	4.8	\$23
	≥ 17,000 and < 65,000	1	13.3	4.3	\$30
		2	15.0	4.5	\$34
	≥ 65,000 and < 135,000	1	13.3	4.3	\$40
		2	15.0	4.5	\$45

Table 17: C&I Single Packaged Vertical AC and Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Single Packaged Vertical AC - SPVAC	< 65,000	1	11.2		\$10
		2	11.8		\$12
	≥ 65,000 and < 135,000	1	10.2		\$10
		2	10.7		\$12
	> 135,000 and < 240,000	1	10.2		\$10
		2	10.7		\$12
Single Packaged Vertical Heat Pump - SPVHP	< 65,000	1	11.2	3.4	\$10
		2	11.8	3.5	\$12
	≥ 65,000 and < 135,000	1	10.2	3.1	\$10
		2	10.7	3.2	\$12
	≥ 135,000 and < 240,000	1	10.2	3.1	\$10
		2	10.7	3.2	\$12

Table 18: C&I Ground Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Ground Source Heat Pump	< 135,000	1	14.4	3.2	\$40
		2	18.0	3.6	\$50
Groundwater Source Heat Pump	< 135,000	1	18.4	3.7	\$40
		2	22.0	3.9	\$48

Table 19: C&I Packaged Terminal AC and Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/hr)	Minimum Efficiency		Incentive \$/Ton
		EER	COP	
Packaged Terminal AC	< 7,000	12.0		\$20/ton (all cooling capacities)
	≥ 7,000	12.0		
	≥ 8,000	11.7		
	≥ 9,000	11.4		
	≥ 10,000	11.1		
	≥ 11,000	10.8		
	≥ 12,000	10.5		
	≥ 13,000	10.2		
	≥ 14,000	9.9		
	≥ 15,000	9.6		
Packaged Terminal Heat Pump	< 7,000	12.0	3.4	
	≥ 7,000	12.0	3.4	
	≥ 8,000	11.7	3.3	
	≥ 9,000	11.4	3.3	
	≥ 10,000	11.1	3.2	
	≥ 11,000	10.8	3.2	
	≥ 12,000	10.5	3.1	
	≥ 13,000	10.2	3.1	
	≥ 14,000	9.9	3.0	
	≥ 15,000	9.6	3.0	

Table 20: C&I Electric HVAC Controls Incentives

- Hospitality/institutional buildings with more than 50 units are not eligible for Occupancy Controlled Thermostats for Hospitality/Institutional Facilities incentive.

Equipment Type	Controlled Unit Size	Incentive
Occupancy Controlled Thermostats for Hospitality/Institutional Facilities	Any capacity	\$75 per occupancy-controlled thermostat
A/C Economizing Control	< 4.5 tons	\$85/control

Gas Heating

Table 21: C&I Non-Condensing Boiler HVAC Incentives

Equipment Type	Boiler Type	Size (Input Rate)	Minimum Efficiency	Incentive
Gas Boiler, Non-Condensing	Hot Water	< 300 MBtu/h	85% AFUE	\$0.95/MBH; Min \$400
		> 300 and < 1,000 MBtu/h	85% Et	\$1.75/MBH
	Steam, all except natural draft	< 300 MBtu/h	82% AFUE	\$1.40/MBH; Min \$400
		≥ 300 and ≤ 1,500 MBtu/h	81% Et	\$1.20/MBH
		> 1,500 and ≤ 2,500 MBtu/h	81% Et	\$1.20/MBH
		> 2,500 and ≤ 4,000 MBtu/h	81% Et	\$1.00/MBH
	Steam, natural draft	< 300 MBtu/h	82% AFUE	\$1.40/MBH; Min \$300
		≥ 300 and ≤ 1,500 MBtu/h	79% Et	\$1.00/MBH
		> 1500 and ≤ 2,500 MBtu/h	79% Et	\$0.90/MBH
		> 2,500 and ≤ 4,000 MBtu/h	79% Et	\$0.70/MBH
	All types	> 4,000 MBtu/h		Treated under Custom Measure Path

Table 22: C&I Condensing Boiler HVAC Incentives

Equipment Type	Boiler Type	Size (Input Rate)	Minimum Efficiency	Incentive
Gas Boiler, Condensing	Hot Water	< 300 MBtu/h	88% AFUE	\$1.35/MBH; Min \$1,000
			93% AFUE	\$2.00/MBH; Min \$1,000
		≥ 300 and < 1,000 MBtu/h	92% Et	\$2.00/MBH; Min \$1,000
			95% Et	\$2.20/MBH; Min \$1,000
		≥ 1,000 and ≤ 2,500 MBtu/h	92% Et	\$1.85/MBH
			95% Et	\$2.20/MBH
		> 2,500 and ≤ 4,000 MBtu/h	92% Ec	\$1.55/MBH
			95% Ec	\$2.00/MBH
	> 4,000 MBtu/h		Treated under Custom Measure Path	

Table 23: C&I Gas Furnace and Infrared Heater Incentives

Equipment Type	Capacity	Requirement	Minimum Efficiency	Incentive
Gas Furnace	All Sizes	ENERGY STAR® Qualified, 2.0% Fan Efficiency	≥ 95% AFUE	\$400
			≥ 97% AFUE	\$500
Gas Infrared Heater	≤ 100 MBtu/h	Low intensity infrared heater with reflectors. For indoor use only.	n/a	\$500
	> 100 MBtu/h			\$300

Table 24: C&I Domestic Hot Water Pipe Wrap Insulation Incentives

- Pipe insulation thickness must exceed required thickness listed in ASHRAE 90.1-2019 Table 6.8.3-1.

Equipment Type	Pipe Diameter	Incentive
Domestic Hot Water Pipe Wrap Insulation	≤ 0.5 inch diameter piping	\$1/linear foot
	> 0.5 inch diameter piping	\$2/linear foot

Gas Water Heating

Table 25: C&I Gas Water Heating Incentives

Equipment Type	Water Heater Type	Size (Input Rate)	Min Efficiency	Incentive
Gas Water Heaters	Gas-fired, Storage	≤ 75 MBtu/h (consumer)	≥ 0.64 UEF	\$1.75/ MBtu/h
			≥ 0.85 UEF	\$3.50/ MBtu/h
		>75 MBtu/h and ≤ 105 MBtu/h (residential duty commercial)	≥ 82% Et or ≥ 0.64 UEF	\$1.75/ MBtu/h
			≥ 90% Et or ≥ 0.85 UEF	\$3.50/ MBtu/h
		> 105 MBtu/h (commercial)	≥ 82% Et	\$1.75/ MBtu/h
			≥ 92% Et	\$3.50/ MBtu/h
	Gas-fired, instant (tankless)	< 200 MBtu/h (consumer) ≥ 200 MBtu/h (commercial)	≥ 90% Et or ≥ 0.90 UEF	\$300/unit
			≥ 90% Et	\$300/unit
	Gas-fired, Water Booster Heater	≤ 100 MBtu/h > 100 MBtu/h	n/a	\$35/ MBtu/h
			n/a	\$17/ MBtu/h

Table 26: C&I Low-Flow Fixture Incentives

- Public lavatory faucet aerators are not eligible for incentives.

Equipment Type	Pipe Diameter	Incentive
Low Flow Showerhead	1.5 GPM or Less	\$10/showerhead
Low Flow Faucet Aerator	1 GPM or Less	\$2/aerator

Variable Frequency Drives

- Motor Size (HP) Controlled per VFD is the cumulative motor HP controlled by each VFD.
- Controlled Motor HP less than the listed range of eligible values are ineligible for incentives.
- Controlled Motor HP more than the listed eligible values should use the C&I Custom program.
 - For all VFD measure except air compressors, the maximum controlled threshold is 50HP. VFDs controlling more than 50HP, except related to air compressors, will be reviewed through the custom measure path.
 - For new air compressors with VFDs, prescriptive incentives will be provided for units up to 200HP. VFDs controlling air compressor motors exceeding 200HP will be reviewed through the custom measure path.
- If the controlled HP falls in between the HP listed on the VFD incentive table, the incentive is based on the lower controlled HP listed.

Table 27: C&I VFD Incentives

Equipment Type	Motor Size (HP) Controlled per VFD	Incentive
Variable Frequency Drives	0.5	\$50
	1	\$75
	2	\$100
	3	\$200
	4	\$300
	5	\$900
	7.5	\$1000
	10	\$1,100
	15	\$1,200
	20	\$1,300
	25	\$1,400
	30	\$1,500
	40	\$2,500
	50	\$3,000
	60	\$3,500
	75	\$4,000
	100	\$5,000
200	\$7,000	

Table 28: VFD Eligible Size Range of Controlled Motor

Equipment Type	Eligible Size Range of Controlled Motor	Eligibility Requirements
VFD on Chilled Water Pump	20 HP ≤ 50 HP	Must be installing VFD on centrifugal chilled water pump motors for HVAC systems only.
VFD on Air Compressor	25 HP ≤ 200 HP	Must be installing VFD on new air or water cooled, single or double stage, oil lubricated or oil free twin rotor screw air compressors outfitted with VFDs (providing compressed air for typical plant air use). Only one VFD controlled air compressor will be eligible for an incentive for each compressed air system.

Performance Lighting

- Performance Lighting incentives are available for eligible indoor light fixtures and outdoor fixtures where electricity usage is billed through the applicant’s meter in new construction and substantial renovations of existing buildings. Substantial renovations of areas within existing buildings are also eligible only if existing lighting is completely removed.²⁷
- Proposed lighting design must demonstrate lighting power density (“LPD”) lower than specified by ASHRAE 90.1-2019 for all relevant eligible spaces, except as specifically excepted in Section 9.1.1 and Table 9.2.3.1 of ASHRAE 90.1-2019.
 - Note: Horticultural lighting incentives, which are covered by the exception immediately above, are available in accordance with Table 30: C&I DLC® Certified Indoor Horticultural LED Fixtures.
- Proposed lighting design must predominantly consist of LED fixtures and lamps qualified by DesignLights Consortium® or ENERGY STAR®.

Table 29: C&I Performance-Based Lighting Incentives

Equipment Type	Incentive Cap	Incentive Caps
Performance-Based Lighting	Design Wattage Cap	\$1/Watt over the LPD baseline per qualified area

Table 30: C&I DLC® Certified Indoor Horticultural LED Fixtures

Equipment Type	Facility Type	New LED Fixture Wattage	Incentive
DesignLights Consortium® Qualified Horticultural LED Fixtures <small>Qualified Products List²⁸</small>	Indoor Horticultural Facilities Operating \geq 3000 hours/year	\geq 500 Watts	\$250/fixture
		< 500 watts	\$150/fixture
	Indoor Horticultural Facilities Operating < 3000 hours/year	\geq 500 Watts	\$200/fixture
		< 500 watts	\$50/fixture

²⁷ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

²⁸ <https://www.designlights.org/>.

Food Service Equipment

Table 31: C&I Dishwasher Incentives

- Equipment must be qualified by the current version of ENERGY STAR® or CEE.

Equipment Type	Description	Incentive
Commercial Dishwasher	Under Counter	\$400 per unit
	Door Type	\$700 per unit
	Single Tank Conveyor	\$1,000 per unit
	Multiple Tank Conveyor	\$1,500 per unit

Table 32: C&I Cooking Equipment Incentives

- Equipment must be qualified by the current version of ENERGY STAR, CEE or ASTM criteria defined in the table at the end of this section.
- Commercial Fryers: Multiple vat configurations are paid per qualifying vat.

Equipment Type	Description	Incentive
Commercial Combination Oven/Steamer	Electric	\$1,000 per oven
	Gas	\$750 per oven
Commercial Convection Oven	Electric	\$350 per oven
	Gas	\$500 per oven
Commercial Rack Oven	Single oven (Gas)	\$1,000 per single oven
	Double oven (Gas)	\$2,000 per double oven
Commercial Griddle	Electric	\$300 per griddle
	Gas	\$125 per griddle

Table 33: C&I ENERGY STAR® Refrigerator and Freezer Incentives

- The refrigeration system must be built-in (packaged).
- Cases with remote refrigeration systems do not qualify.
- Must meet ENERGY STAR Version 4.0 specification.

Equipment Type	Refrigerator/Freezer Internal Volume	Incentive
ENERGY STAR® Commercial Glass Door Refrigerator	< 15 ft ³	\$75 per unit
	≥ 15 to < 30 ft ³	\$100 per unit
	≥ 30 to < 50 ft ³	\$125 per unit
	≥ 50 ft ³	\$150 per unit
ENERGY STAR® Commercial Solid Door Refrigerator	< 15 ft ³	\$50 per unit
	≥ 15 to < 30 ft ³	\$75 per unit
	≥ 30 to < 50 ft ³	\$125 per unit
	≥ 50 ft ³	\$200 per unit
ENERGY STAR® Commercial Glass Door Freezer	< 15 ft ³	\$200 per unit
	≥ 15 to < 30 ft ³	\$250 per unit
	≥ 30 to < 50 ft ³	\$500 per unit
ENERGY STAR® Commercial Solid Door Freezer	≥ 50 ft ³	\$1,000 per unit
	< 15 ft ³	\$100 per unit
	≥ 15 to < 30 ft ³	\$150 per unit
	≥ 30 to < 50 ft ³	\$300 per unit
	≥ 50 ft ³	\$600 per unit

Table 34: C&I ENERGY STAR® Ice Machine Incentives

- Ice machines must be tested in accordance with the Air Conditioning and Refrigeration Institute (ARI) Standard 810.
- Includes machines generating ice cubes that are 60 grams (2 oz.) or lighter. It also includes flaked, crushed and fragmented ice makers.
- Only air-cooled machines (self-contained, ice making heads, or remote condensing) qualify.
- The entire ARI tested ice making system must be purchased.
- Remote machines must be purchased with qualifying remote condenser or remote condenser/compressor unit.
- The efficiency specifications for the two qualifying tiers are equivalent to ENERGY STAR® or Super-Efficient. ENERGY STAR® ice machines must meet ENERGY STAR® Version 3.0 specification.

Equipment Type	Ice Harvest Rate	Incentive
ENERGY STAR® Commercial Ice Machine	101–200 lbs/day	\$50 per unit
	201–300 lbs/day	\$50 per unit
	301–400 lbs/day	\$75 per unit
	401–500 lbs/day	\$75 per unit
	501–1000 lbs/day	\$125 per unit
	1001–1500 lbs/day	\$200 per unit
	Greater than 1500 lbs/day	\$250 per unit
Super-Efficient Ice Machine	101–200 lbs/day	\$100 per unit
	201–300 lbs/day	\$100 per unit
	301–400 lbs/day	\$150 per unit
	401–500 lbs/day	\$150 per unit
	501–1000 lbs/day	\$250 per unit
	1001–1500 lbs/day	\$400 per unit
	Greater than 1500 lbs/day	\$500 per unit

Table 35: C&I ASTM Cooking Equipment Criteria

Equipment Type	Fuel	ASTM Cooking Equipment Criteria
Commercial Combination Oven/Steamer	Electric	<ul style="list-style-type: none"> Must meet the idle energy rate requirements in the Electric Combination Oven/Steamer Table, utilizing American Society for Testing and Materials (ASTM) F2861. Must have a cooking energy efficiency of 55 percent or greater in steam mode and 76 percent cooking energy efficiency or greater in convection mode, utilizing (ASTM) F2861. Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
	Gas	<ul style="list-style-type: none"> Must have a cooking energy efficiency of 41 percent or greater in steam mode and 56 percent or greater in convection mode, utilizing ASTM F2861. Must meet the idle energy rate requirements in the Gas Commercial Combination Oven/Steamer Table, utilizing ASTM F2861. Combination oven/steamer pan capacity on based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
Commercial Convection Oven	Electric	<ul style="list-style-type: none"> Must have a tested heavy load (potato) cooking energy efficiency of 71 percent or more, utilizing ASTM F1496. Full-size electric ovens must have a tested idle energy rate of 1.6 kW or less, utilizing ASTM F1496. Half-size electric ovens must have a tested idle energy rate of 1.0 kW or less, utilizing ASTM F1496.
	Gas	Must have a tested heavy load (potato) cooking energy efficiency of 46 percent or greater and an idle energy rate of 12,000 Btu/h or less, utilizing ASTM F1496.
Commercial Rack Oven	Gas	<ul style="list-style-type: none"> Single rack ovens must have a tested baking energy efficiency of 48 percent or greater and a total energy idle rate of 25,000 Btu/h or less, utilizing ASTM F2093. Double rack ovens must have a tested baking energy efficiency of 52 percent or greater and a total energy idle rate of 30,000 Btu/h or less, utilizing ASTM F2093.
Commercial Griddle	Electric	Must have a tested heavy load cooking energy efficiency of 70 percent or greater and an idle energy rate of 355 watts per square foot of cooking surface or less, utilizing ASTM F1275.
	Gas	Must have a tested heavy load cooking energy efficiency of 38 percent or greater and an idle energy rate of 2,650 Btu/h per square foot of cooking surface or less, utilizing ASTM F1275.

Note: The incentives identified above in this Appendix A: C&I and DER Incentive Caps and General Rules may be reduced with the approval of the Division of Clean Energy.



Charge Up New Jersey

Fiscal Year 2024 Compliance Filing



Center for
Sustainable
Energy®

June 29, 2023

(this page intentionally left blank)

Table of Contents

- I. Introduction
- II. Program Purpose and Strategy Overview
- III. Program Description
- IV. Eligibility for the Vehicle Incentive
 - Applicant Eligibility
 - Vehicle Eligibility
 - Incentives for Eligible Vehicles
- V. Program Requirements
 - Application Process
 - Applicant Responsibilities
 - Dealership Participation Requirements
 - Reservation of Incentive Funds at the Time of Order
 - Failure to Adhere to Program Requirements
 - Changes to the Program
 - Appeal Process
 - False Statements
 - Incentive Application Submission
 - Ineligible Vehicles
 - Dealership or Showroom Location, FY24 Program Registration, Vehicles Offered, and Timing of Application Submissions
- VI. Electric Vehicle Charger Incentive
 - Applicant Eligibility
 - Equipment Eligibility
 - Incentives for Eligible Equipment
 - Required Documentation
- VII. Call Center Coordination
- VIII. Quality Control Provisions

I. Introduction

This Fiscal Year 2024 ("FY24") Compliance Filing provides the program description for the Charge Up New Jersey Program (the "Program"), administered by the New Jersey Board of Public Utilities ("BPU" or the "Board") and its Division of Clean Energy ("DCE"). The Charge Up New Jersey Program was developed in accordance with S-2252, L. 2019, c. 362, codified at N.J.S.A. 48:25-1 to -11 ("EV Act"), and amending, in relevant part, N.J.S.A. 48:3-60(a)(3). The EV Act directed the Board to establish and implement a program to incentivize the purchase or lease of new light-duty plug-in electric vehicles ("EV") in the State of New Jersey, as well as develop an incentive for residential, at-home EV charging equipment.

II. Program Purpose and Strategy Overview

The Program was mandated by the signing of S-2252 into law on January 17, 2020 by Governor Murphy. The Program has been developed in three phases. Phase One of the Program enabled New Jersey residents who purchased or leased an eligible EV between January 17, 2020 and December 15, 2020 to apply for an incentive post-purchase. Phase Two provides an incentive at the point of sale. The vehicle incentive is supported by the 10-year, non-lapsing Plug-in Electric Vehicle Incentive Fund in the amount of \$30 million annually, funded by the societal benefits charge ("SBC"). Phase Three provides the Electric Vehicle Charger Incentive. This FY24 Compliance Filing covers Phases Two and Three of the Program. Following Board approval and contingent upon Legislative appropriation of funding, the FY24 Program will take effect in the summer of 2023. Phase Three, the Electric Vehicle Charger Incentive, was launched in July 2022.

Phase One – The Post-Purchase Vehicle Incentive: Phase One of the Charge Up New Jersey Program covered individuals who purchased or leased an EV from January 17, 2020 through December 15, 2020. The post-purchase portal closed on March 15, 2021. During Phase One, applicants applied directly to the Center for Sustainable Energy ("CSE" or "Program Administrator") for the incentive, at the official Program website, following the purchase or lease of an EV. Incentives were processed on a first-come, first-served basis by the Program Administrator and issued to eligible applicants in a single payment via check. All incentives were subject to availability of funds. All eligible applicants who applied by March 15, 2021 and were approved were paid an incentive based on the Terms and Conditions of Year One of the Program. Some applicants, due to timing constraints on funding, were paid at the start of FY22.

Phase Two – The Point-of-Sale Vehicle Incentive: In the Summer of 2021, Phase Two launched, following Board approval. Phase Two was designed to further simplify the process for applicants, so that the applicant benefits from the incentive at the time of the vehicle transaction in a New Jersey dealership or showroom. The incentive is applied in full directly at the time of the point-of-sale ("POS") or transaction, and all documentation is facilitated by the salesperson or representative at the dealership or showroom. The incentives are paid by the Program Administrator to the dealership or showroom to reimburse them in full for the incentives paid to consumers. The total amount of this portion of the FY24 Charge Up New Jersey Program is approximately \$31.7 million, which includes \$1.7 million in estimated carryforward funding from FY23.

Phase Three – The Electric Vehicle Charger Incentive: L. 2019, c. 362 authorized the BPU to develop and launch an incentive of up to \$500 for at-home, residential EV charging equipment, funded through the SBC. As a result of feedback received during the stakeholder process for the Charge Up New Jersey Program, the Phase Three incentive amount will be \$250. Phase Three launched in July 2022 during FY23. The FY24 budget is estimated at \$4.5 million, which is the estimated carryforward funding from FY23 for this program.

III. Program Description

The intent of the Charge Up New Jersey Program is to encourage the purchase or lease of new light-duty plug-in electric vehicles in the State and assist New Jersey residents with making the switch to driving electric, consistent with N.J.S.A. 48:25-4(a). The FY24 Charge Up New Jersey Program (“FY24 Program”) addresses the key market barrier of vehicle cost by offering a financial incentive at the point-of-sale – the time at which at the applicant takes possession of the vehicle. Eligible applicants that have purchased or leased an eligible vehicle on or after the launch of the FY24 Program can receive the incentive at the time of the transaction at participating New Jersey dealerships or showrooms (“Dealerships or Showrooms”). Eligible FY23 Program applicants that have ordered an eligible vehicle on or after the launch of the FY24 Program can receive the incentive at the time they take possession of the vehicle and complete the sales or lease transaction. Specifically, they will receive their incentives as a line item deduction on their purchase or lease contract that directly reduces the price they pay for the vehicle. The Dealership or Showroom will then apply for reimbursement from the Program Administrator who will process such applications on a first-come, first-served basis and reimburse Dealerships and Showrooms for the cost of the incentives they provided to eligible recipients.

The FY24 Program will follow the guidelines set by the EV Act (L. 2019, c. 362) and utilize best practices from similar incentive programs in other states.

The EV Act sets goals for the State related to transportation electrification. It established the Plug-in Electric Vehicle Incentive Fund and mandated the Board to establish and implement an incentive program for new light-duty plug-in EVs. It also granted the Board the authority to establish and implement an incentive program for at-home, residential EV charging equipment. N.J.S.A. 48:25-4 and N.J.S.A. 48:25-6. The following State goals are related to transportation electrification for light-duty vehicles, as described in N.J.S.A. 48:25-3:

1. There must be at least 330,000 registered light-duty, plug-in EVs in New Jersey by December 31, 2025, and at least 2 million EVs registered in New Jersey by December 31, 2035.
2. At least 85% of all new light-duty vehicles sold or leased in New Jersey shall be plug-in EVs by December 31, 2040.

The BPU advances this Program with an aim of fulfilling these State goals and propelling the State toward transportation electrification, while decreasing greenhouse gas emissions.

IV. Eligibility for the Vehicle Incentive

Applicant Eligibility

The Program seeks to support New Jersey residents who purchase or lease an eligible EV by providing an incentive at the POS. Applicants must meet the following requirements in order to be eligible to receive the vehicle incentive. The eligibility requirements will be checked by the dealer or showroom representative prior to completing the transaction to ensure the applicant meets the criteria to receive a POS incentive.

The applicant must:

1. Be a resident of the State of New Jersey at the time of vehicle purchase or lease, which will be verified via a current New Jersey Driver’s License. Only a New Jersey Driver’s License is eligible for residency verification. Utility bills, tax documentation, and other items with the applicant’s address will **not** be accepted.
 - a. Active duty military members stationed in New Jersey, with permanent residency in another state, **will** qualify. Current military orders will be accepted as proof of residency documentation.

- b. The Charge Up New Jersey Program is limited to individuals only. Businesses and other commercial entities, non-profits, governments, and public entities are **not** eligible for this incentive.
2. Remain a resident of the State of New Jersey for at least two (2) years after the purchase or lease of the eligible EV that receives an incentive under the Program. This requirement does not apply to customers with permanent residency in another state who qualified for the incentive because they were active-duty military members stationed in New Jersey at the time they ordered, purchased, or leased their vehicle.
3. Acknowledge that the entirety of the purchase or lease for an eligible vehicle must occur on or after the official launch of the FY24 Point-of-Sale Program, and in the State of New Jersey at a participating Dealership or Showroom.
 - a. Vehicles ordered in advance of the launch of the FY24 Point-of-Sale Program will not be eligible for an incentive.
 - b. A vehicle ordered, purchased, leased, and/or delivered out-of-state is not eligible for the incentive, including vehicles ordered online and delivered outside of the State; any vehicle ordered online must be delivered in New Jersey to qualify for the incentive.
 - c. New Jersey residents, or active-duty military members stationed in New Jersey, who place an order with a participating New Jersey Dealership or Showroom to deliver a vehicle in New Jersey will be deemed to have placed that order in New Jersey regardless of whether they were physically in the State at the time.
4. Agree that the Program Administrator will deem a purchase or lease completed when the purchaser or lessee of the vehicle has executed and signed a purchase contract, lease, or security agreement. The applicant must commit to not modifying the vehicle's emissions control systems, hardware, or software calibrations.
5. Retain ownership, or an active lease agreement, and registration of the vehicle with the New Jersey Motor Vehicle Commission for a minimum of 36 consecutive months immediately after the vehicle purchase or lease date. Customers who lease their vehicle must ensure that their original lease agreement explicitly lists a term of 36 months or longer.
6. Acknowledge that applicants may receive only up to three (3) vehicle incentives from the Program throughout the 10-year period that the Program is active.

Vehicle Eligibility

Pursuant to [L. 2019, c. 362](#), an eligible vehicle for the Program is defined as:

- A new light-duty plug-in electric vehicle;
- With a Manufacturer Suggested Retail Price* ("MSRP") below \$55,000;
- The entirety of the purchase or lease, including the ordering, for an eligible vehicle must occur on or after the official launch of the FY24 Point-of-Sale Program;
- The order date shall be defined as the date which the customer places a down payment of any sort on the vehicle purchased or leased in the State of New Jersey at a participating Dealership or Showroom; and
- Registered in New Jersey to a New Jersey resident.

*In order to maintain a consistent and standardized approach to the MSRP cap under the Program:

- The MSRP and its impact on incentive eligibility will be taken into account only up to the point-of-sale. Any additions made to the vehicle thereafter that would otherwise alter the value of the vehicle will not alter the vehicle's eligibility for an incentive under the Program.

- The MSRP cap **will include** all line items on the purchase or lease agreement which relate to the value of the vehicle itself (including but not limited to battery upgrades, autonomous upgrades, wheel and tire packages, audio, and infotainment system).
- The MSRP cap **will not include** maintenance or vehicle care packages, additional vehicle accessories (i.e. first aid kits, floor mats, cargo nets, etc.), destination and delivery charges, tax, registration fees, title fees, and documentation fees since these line items do not relate to the value of the vehicle itself, but rather to the logistics, care, and maintenance of the vehicle.

Incentives for Eligible Vehicles

Staff is primarily focused on structuring the Program’s incentive amount to encourage buyers or lessors who might otherwise not have considered an EV due to cost concerns. Staff recognizes that the Program should prioritize “incentive-essential” customers. The FY24 structure is a result of reviewing best practices in other states and the stakeholder process. The resulting incentive tiers retain the spirit of the EV Act and allow the \$25 per mile of EPA-rated all-electric calculation to remain for most incentives.

As such, eligible electric vehicles, up to an MSRP of \$45,000, will have an incentive which equals \$25 per mile of EPA-rated all-electric range the vehicle possesses, up to a maximum of \$4,000. In order to increase the longevity of the funding and prevent vehicles with a higher MSRP from garnering a larger than necessary incentive, a second incentive tier will be available for eligible electric vehicles with an MSRP between \$45,001 and \$55,000. These vehicles will have an incentive calculation which equals \$25 per all-electric mile, up to a maximum of \$1,500.

Incentives that are reserved at the time of order must have the same MSRP at the time of order and the time of the purchase or lease transaction.

Dealerships and Showrooms are expected to calculate the correct incentive. Neither the BPU nor Program Administrator are responsible for miscalculated incentive amounts. Dealerships and Showrooms may reach out to the Program Administrator for clarification regarding the MSRP and incentive amount prior to finalizing the vehicle transaction.

For the purposes of the FY24 Program, a vehicle’s “EPA-rated all-electric range” means the all-electric range that fueleconomy.gov lists for that vehicle.

Incentive Calculation	Determining Factor
\$25 per all-electric mile, maximum of \$4,000	Eligible Electric Vehicle, MSRP up to \$45,000
\$25 per all-electric mile, maximum of \$1,500	Eligible Electric Vehicle, MSRP between \$45,001 and \$55,000

Ineligible vehicles under the Program include:

- Aftermarket plug-in hybrid EVs;
- Pre-owned plug-in EVs;
- EV conversions;
- Electric scooters;
- Electric all-terrain vehicles;
- Neighborhood or low speed EVs;
- Electric motorcycles, as well as other two or three wheeled EVs;
- Any vehicles purchased or leased outside the State of New Jersey;
- Any vehicles purchased, ordered, or leased prior to the launch of Year Two;
- Any plug-in hybrid purchased, ordered or leased on or after January 1, 2023; and
- Any vehicle not on the approved eligibility list on the program website.

V. Program Requirements

Application Process

Phase One – The Post-Purchase Program: Eligible applicants for the Post-Purchase Program purchased their vehicles between January 17, 2020 and December 15, 2020. The application period for the Post-Purchase Program closed on March 15, 2021. FY24's Charge Up Program does not include a post-purchase incentive.

Phase Two – The Point-of-Sale (“POS”) Program: Dealerships and Showrooms must enroll to participate in the Program by providing dealership and showroom contact and Automated Clearing House (“ACH”) information via the dedicated Program website in advance of the Program’s launch. Upon verification of information submitted through the enrollment application, representatives will gain access to a log-in portal to submit applications and check the status of existing applications on behalf of their customers. CSE provides dealerships with training on the incentive reimbursement application process and Program requirements.

For an individual to receive the incentive, they must purchase or lease an eligible EV from a participating Dealership or Showroom in the State of New Jersey. Dealership representatives will verify vehicle and applicant eligibility at the POS. After verifying eligibility, the representative will be required to reduce the contracted purchase or lease price by the full incentive amount. The incentive must be reflected as a clearly identifiable line item deduction in the contract. The representative will upload the required documentation to the Program application portal. Required documentation for each incentive application includes:

- New Jersey vehicle registration;
- Signed and executed vehicle contract;
- Proof of New Jersey Driver’s License or Military Orders; and a
- Signed copy of the Program Terms and Conditions.*

*At the time a representative applies for an incentive through the Program portal, the most current version of the Implementation Manual and the Terms and Conditions will apply. In addition, an electronic signature will be accepted and considered valid for the acknowledgement and signing of the Program Terms and Conditions.

Funding will be reserved upon application submission. If the Program Administrator announces that the Program will close due to expending all available funds, there will not be an opportunity to reserve funds for orders made outside the normal 14-day window. Dealers shall submit incentive applications through the Dealer Web Portal at <https://chargeup.njcleanenergy.com>. Dealerships and Showrooms may reserve funds at time of order and have 14 days from time of order to submit an application to reserve funding. If a dealership or showroom elects not to reserve funding at the time of order, they must notify the customer in writing that while eligible for the Charge Up Incentive no funds shall be reserved until the purchase or lease transaction at which time funding may not be available. Dealerships and Showrooms will have 14 calendar days from the purchase or lease transaction date to apply for a reimbursement of the incentive from the Program. Applications started more than 14 calendar days after the vehicle transaction is completed will be blocked from submitting an application. Once an application is started, representatives will have 14 calendar days to complete the application and submit for review by the Program Administrator. The BPU will reserve the incentive funds once the application is submitted. If the application is cancelled due to inactivity or improper documentation, the representative will need to reapply. The representative will work directly with the CSE to submit or resubmit required documents, as necessary, to meet Program requirements. Approved applications will be batched at least monthly for ACH payment to be issued directly to the Dealerships or Showrooms.

Applicant Responsibilities

Point-of-Sale applicants must obtain the incentive directly from the Dealership or Showroom via a deduction of the full incentive amount on their purchase or lease contract. Incentives will not be issued post-purchase or lease. Applicants must adhere to the Vehicle Eligibility and Applicant Eligibility requirements defined in Section IV above and agree to the Program Terms and Conditions in place at the time of application submission.

Dealership Participation Requirements

Participating Dealerships and Showrooms shall only apply incentives to eligible applicants and vehicles in accordance with Terms and Conditions. Participating Dealerships and Showrooms must notify eligible customers of the existence of the incentive at the point-of-sale. Participating Dealerships and Showrooms must communicate to customers that the line item deduction on the purchase or lease contract is a function of the Charge Up New Jersey Program. Dealerships and Showrooms must deliver cars to customers prior to completing applications. No further actions, such as additional charges, vehicle mark-ups, payment contingencies or holds, shall be taken against the customer for the incentive. The full incentive is to be applied at the point-of-sale. Incentives may not be held until the application is approved, nor issued as a check after the transaction is completed. Dealerships and Showrooms may not recuperate the value of the incentive from a customer in the event that an application is cancelled due to Dealership or Showroom error or penalty.

(Example: The Program Administrator denies an incentive reimbursement application because the Dealership or Showroom submitted/completed the application past the fourteen (14) calendar day deadline or any other deadline established by the Program Administrator in accordance with the Terms and Conditions. In this scenario, the Dealership or Showroom is prohibited from clawing back or attempting to claw back the value of the incentive from the customer.)

In order to ensure consumer confidence in the Program and prevent price gouging, dealers must provide fair, transparent pricing details. Price markups that diminish the value of the State's incentive for the consumer are not permitted. Dealers may not include mark-ups or market price adjustments for which there is no specific line item or additional underlying value. The Program Administrator may therefore deny any incentive reimbursement application when the total pre-incentive price paid by the customer exceeds the MSRP without justification. For example, the Program Administrator may deny an incentive reimbursement application for a vehicle sold above MSRP when there are no line items demonstrating that the customer received additional product or service options in exchange for paying a pre-incentive price that exceeds MSRP. The Program Administrator may likewise deny an application when line item charges for additional product or service options appear to significantly exceed their typical market value.

Dealerships and Showrooms shall be required to provide weekly order data and estimated delivery dates to the Program Administrator. Dealers are encouraged to collect all supporting documentation required for an incentive at the time of order.

Dealerships and Showrooms that violate the Terms and Conditions risk denial of incentive reimbursements to which they would otherwise be entitled. CSE may bar such Dealerships and Showrooms from continuing to participate in the FY24 Program or future program years.

Reservation of Incentive Funds at Time of Order

In order to boost consumer confidence in the Program, the Program Administrator provides an opportunity for Dealerships and Showrooms to reserve funding at the time of order. Applications must be started within 14 days of order.

If Dealerships or Showrooms do not intend to reserve funding at the time of order they must provide written notice to the customer that eligible vehicles will remain eligible for the incentive at the time of purchase or lease, pending availability of funds.

Dealerships and Showrooms that do not enter orders must provide updates to the Program Administrator regarding the number of pending orders as outlined on page 10.

For vehicles that reserve funding at the time of order, the MSRP at the time of order must match the MSRP at time of purchase or lease.

If the Program Administrator announces that the Program will close due to expending all available funds there will not be an opportunity to reserve funds for orders made outside the normal 14-day window.

Failure to Adhere to Program Requirements

If a vehicle for which an incentive payment was issued is sold, returned, or traded in; a lease is transferred or assumed by another party; or the applicant leaves the state prior to the expiration of the minimum ownership period or lease agreement in Section IV(5) or the minimum post-purchase or lease residential period in Section IV(2), the purchaser or lessee may be required to reimburse the Program. Exemption from the 36-month period in Section IV(5) or the 2-year residential requirement in Section IV(2) may be allowed if necessitated by unforeseen or unavoidable circumstances, such as military relocation outside the State of New Jersey, death of an applicant, or determination by the Program Administrator that the vehicle has been totaled.

To qualify for an exemption, applicants will be required to submit a written request to the CSE and include official documentation demonstrating proof of one of the above-noted circumstances. The CSE will review all submitted exemption requests and respond back with an approval, a denial, or a request for additional documentation within 14 days of submission. All exemption requests will be stored with the original application in the incentive processing platform. To request an exemption for a special circumstance other than those listed above, an applicant can submit a written request explaining the circumstances along with any official corresponding documentation. The CSE will review the appeal request with BPU to determine if the requirements for an exemption have been met.

Changes to the Program

In the event the federal government establishes a new incentive or tax credit for EVs effective during the FY24 Program, Board Staff may immediately reduce the amount of the Program incentive by up to 50 percent to ensure the efficacy and solvency of the Program.

Appeal Process

Dealerships and Showrooms must email their appeals to BPU Staff at EV.Programs@bpu.nj.gov within 45 calendar days of the date the Program Administrator notified them that it was denying their application or reimbursement application. Dealerships' and Showrooms' written appeal must include their contact information, a copy of the FY24 Program application or reimbursement application they submitted, and a copy of the required documents submitted with the application. The written appeal must also set forth the basis for the appeal by describing the

relevant issue(s) in detail and explaining why the applicant or Dealership or Showroom believes BPU Staff should grant the appeal. BPU Staff will review the submitted documentation and respond as soon as possible. BPU Staff will acknowledge receipt of appeals within five (5) business days of submission. If, after five (5) business days, an applicant or a Dealership or Showroom has not received an acknowledgment, they should contact the BPU Program Administrator at EV.Programs@bpu.nj.gov. After acknowledging receipt of an appeal, BPU Staff will review the submitted documentation and provide a substantive response as soon as possible.

False Statements

An applicant, Dealership, Showroom, or vehicle manufacturer providing a false statement in any of the information submitted to the FY24 Program may be criminally liable in accordance with applicable state or federal statutes, and any such false statement could result in incentive denial or incentive reimbursement denial and/or removal from the Charge Up New Jersey Program.

Incentive Application Submission

The Program Administrator will process all eligible incentive reimbursement applications. The Program Administrator will directly reimburse the Dealership or Showroom for the cost of providing the incentive once the Program Administrator determines that the applicant was eligible to receive it.

Ineligible Vehicles

As stated in Section IV(3), vehicles ordered, purchased, or leased prior to the FY24 Program's launch date are not eligible for an incentive. Dealerships and Showrooms shall be responsible for making this point clear at the time the vehicle is ordered or purchased, and shall require the vehicle buyer or lessee to provide written acknowledgement that this information was disclosed to them.

Dealership or Showroom Location, FY24 Program Registration, Vehicles Offered, and Timing of Application Submissions

To participate in the point-of-sale program, a Dealership or Showroom must be located in the State of New Jersey and offer new, incentive-eligible vehicles for purchase or lease. In addition, dealerships and showrooms must register with the Program Administrator and enroll in the FY24 Program to be recognized as an eligible New Jersey Dealership or Showroom capable of offering the incentive at the point-of-sale ("Dealers," or "Dealership or Showroom").

Dealers shall submit incentive reimbursement applications through the Dealer Web Portal at <https://chargeup.njcleanenergy.com>. Dealers shall have fourteen (14) calendar days from the Vehicle Transaction Date to submit the application, including the required documents outlined in the Terms and Conditions. The BPU will reserve the incentive funds once the Dealer submits the application. CSE will cancel any applications not submitted and/or updated within fourteen (14) calendar days of the Vehicle Transaction Date, and the BPU will release any funds reserved for the canceled application. CSE will notify the Dealer of the cancellation via email. Dealers are responsible for ensuring that they receive and review these email communications.

VI. Electric Vehicle Charger Incentive

Phase Three of the Program, the Electric Vehicle Charger Incentive, launched in July 2022.

Applicant Eligibility

Applicants must meet the following requirements in order to be eligible to receive the Electric Vehicle Charger Incentive (“Charger Incentive”) offered by the Program. The eligibility requirements will be checked by the CSE.

Equipment Eligibility

Under the Charger Incentive of the Charge Up New Jersey Program, only a Level-Two EV charger capable of capturing data (also known as a “smart” or “networked” charger) intended for residential use that has been pre-approved by the State of New Jersey and is Energy Star certified is eligible for an incentive. The pre-approved eligibility list shall be provided on the Charge Up website and shall be updated regularly.

Incentives for Eligible Equipment

The Charger Incentive will utilize the same platform as Phase One of the Charge Up New Jersey vehicle incentive and operate as a post-purchase incentive. The incentive amount will be \$250. The incentive will not cover the associated installation costs, permitting fees, etc., though utilities may offer incentives to install the “make ready” infrastructure for residential chargers. To be eligible for the incentive, applicants would need to upload scanned copies of all required documents.

Required Documentation

- Proof of purchase and installation of an eligible Level-Two smart charger, either a digital or scanned hard copy, with the date of purchase clearly visible;
- Scanned photo of the serial number on the charging equipment itself; and
- New Jersey Driver’s License as proof of residence and a unique identifier;
 - One charger incentive per NJ address (including one per apartment in a Multi-Unit Dwelling); and
 - Each applicant (tracked by their New Jersey Driver’s License) may receive up to two (2) charger incentives throughout the duration of the 10-year Charge Up New Jersey Program but no more than one per address. Applicants may only receive one (1) charger incentive per EV registration (tracked by VIN number).

VII. Call Center Coordination

The CSE maintains a call center for the Program, which employs 30 individuals trained in processing light-duty EV incentives. The call center has a dedicated toll-free phone number and program specific email for applicant inquiries. The CSE has been working closely with the New Jersey Clean Energy Program main call center in order to create a seamless pathway for customer inquiries and Program information.

VIII. Quality Control Provisions

Documented policies and procedures will provide proper guidelines to ensure consistency in the processing and quality control for all Program participants. Staff at the CSE will verify and ensure all applications for adherence to eligibility requirements and technical information contained within this FY24 Compliance Filing. Applicant and representative information, supplied via the secure program platform, will be housed in the program database,

and electronic files will be maintained containing all application documents. The State Contract Managers for the Program will perform internal quality assurance reviews on monthly program reports.

The CSE has guiding program documentation, including Standard Operating Procedures, Implementation Manuals, and quality control procedures to ensure that a rigorous standardized process is adhered to by all incentive processing specialists. The State Contract Managers for the Program will evaluate the CSE's quality control activities based on the processes documented in an approved Program Management Plan.

**BPU and DPMC Designated Project List
State Facilities Initiative Funds FY24ⁱ**

Agency	Contract	FY24 Total BPU Funds	Detail
Ag	Pabil Bug Lab	\$5,200,000.00	HVAC
DCA	Ashby Bldg.	\$4,250,000.00	HVAC
DHS	Ancora Psychiatric Hospital	\$3,010,000.00	ECMs
DHS	Greenbrook Regional	\$1,845,000.00	ECMs
DHS	Greystone Psychiatric Hospital	\$2,500,000.00	ECMs
DHS	Trenton Psychiatric Hospital	\$2,620,000.00	ECMs, Switch Gear Upgrades
DHS	Woodbine Developmental	\$1,500,000.00	ECMs
DHS	Kohn Training Center	\$537,000.00	Lighting, Chillers
DHS/Treasury	Hagedorn	\$60,000.00	Lighting/Utility Tunnels
DMAVA	Menlo Park	\$510,000.00	ESIP ECMs
DMAVA	Glen Gardner Vet Haven North	\$1,500,000.00	HVAC
DMAVA	Vet Haven South	\$279,000.00	HVAC
DMAVA	Paramus	\$530,000.00	ECMs
DMAVA	NG Armory	\$3,000,000.00	Go Green Retrofit Pilot
DOC	NJ State	\$3,000,000.00	Feeder Upgrades
DOC	Southwoods	\$2,565,000.00	ECMS
DOE	Jackson Regional School	\$3,700,000.00	HVAC
DOE	Katzenbach School	\$3,000,000.00	HVAC, VAV

DOL	Labor Bldg.	\$1,300,000.00	HVAC
JJC Law & Public Safety	JJC Johnstone Campus	\$800,000.00	HVAC
LPS	Weights and Measures	\$1,000,000.00	ECMs
NJSP	Troop C/Techplex	\$1,800,000.00	HVAC/Chiller
NJ Transit	Hilton Garage	\$10,000,000.00	EV Infrastructure
NJDEP	DEP HQ	\$4,467,000.00	Controls Upgrade
NJDEP	Parks Upgrades	\$200,000.00	ECMs
OIT	OIT Hub	\$700,000.00	Data Center
Treasury	State Museum	\$390,000.00	Lighting and Controls
Treasury	State Library	\$1,190,000.00	ECMs
Treasury	225 West State Street	\$900,000.00	BMS
Treasury	Sensors, Submetering Pilot	\$50,000.00	Master Metered Campus
Treasury	State Facility Under 250 kw	\$500,000.00	Lighting Upgrades
BPU	State Energy Report	\$20,000.00	University Assistance
	Total Project Funding	\$62,923,000.00	

¹ Table may not sum to line item due to timing differences, such as carryforward of project funds and payments.